

JUNE 1, 1987

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TIME

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Stark Questions



724404

It takes 400,000,000 years to make a Bourbon as good as Old Grand-Dad.

Once there was this huge inland sea. Part of it covered what's now Kentucky.

Then Mother Earth shrugged her geological shoulders, and what was seabed, rich in calcium and phosphates, became dry land.

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You see, water that's trickled and seeped its way through limestone is the best water there is for making Bourbon.

And nowhere in America—not even Tennessee—is there better limestone for water to trickle and seep through than under the soil of Old Grand-Dad's home: Kentucky's legendary Bluegrass district.

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Old Grand-Dad

HEAD OF THE BOURBON FAMILY

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|--------------------------|-------------|--------------|--------------|------|----------|
| | | | City | Hwy. | |
| Chevy Sprint ER | 3 | 5M | 54 | 58 | 56 |
| Chevy Sprint Sedan | 3 | 5M | 44 | 49 | 46 |
| Chevy Turbo Sprint | 3 | 5M | 37 | 43 | 39 |
| Chevy Spectrum | 4 | 5M | 37 | 41 | 39 |
| Chevy Nova | 4 | 5M | 29 | 37 | 32 |
| Chevy Beretta | 4 | 5M | 25 | 35 | 29 |
| Chevy Corsica | 4 | 5M | 25 | 35 | 29 |
| Chevy Cavalier | 4 | 5M | 25 | 34 | 28 |
| Chevy Celebrity | 4 | 5A | 22 | 32 | 26 |
| | | | | | |
| Acura Integra | 4 | 5M | 26 | 30 | 27 |
| Audi 4000 | 4 | 5M | 25 | 30 | 27 |
| BMW 325 | 6 | 5M | 21 | 28 | 24 |
| Honda Civic HF (2 Pass.) | 4 | 5M | 52 | 57 | 54 |
| Toyota Corolla | 4 | 5M | 30 | 37 | 33 |
| Toyota MR2 (2 Pass.) | 4 | 5M | 26 | 32 | 29 |
| Toyota Tercel | 4 | 5M | 31 | 38 | 34 |
| Mazda 323 | 4 | 5M | 28 | 34 | 30 |
| Nissan Sentra | 4 | 5M | 26 | 35 | 30 |
| Nissan 200 SX | 4 | 5M | 22 | 28 | 24 |
| Nissan Pulsar | 4 | 5M | 26 | 32 | 29 |
| Mitsubishi Mirage | 4 | 5M | 32 | 37 | 34 |
| Subaru | 4 | 5M | 28 | 32 | 30 |
| Subaru Justy | 3 | 5M | 38 | 41 | 39 |
| VW Golf | 4 | 5M | 26 | 34 | 29 |

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35" Model Shown: 35LD1956, measured diagonally, shown with simulated picture. © 1986 Sharp Electronics Corp., Sharp Plaza, Mahwah, NJ 07430, (201) 529-8200

COVER: The *Stark* disaster stirs 16 fears about the U.S. role in a far-off war

As Americans struggle to understand how a senseless military mishap in the Persian Gulf cost the lives of 37 sailors, Congress is concerned that the U.S. will be drawn into the Iran-Iraq war.

► Analysts ponder why the *Stark*, with its array of electronic gadgetry, was unable to defend itself. ► Could the planned 600-ship Navy become a fleet of sitting ducks? See *NATION*.



WORLD: They're off! Britain's top 34 contenders unveil their campaign themes

With a huge lead in the polls, Margaret Thatcher's Tories begin the election campaign touting the country's "revived spirit," while Labor depicts a land of Dickensian misery and the Alliance aims for the middle. ► South Africa's Conservative Party, the new official opposition, makes State President P.W. Botha sound like a moderate. ► Fiji faces an uncertain future.



BUSINESS: Citicorp sets aside \$3 billion 48 to cover its Third World debt losses

The chairman of the largest U.S. bank admits it may never collect on major portions of its foreign debt. Citicorp will post a loss of \$2.5 billion for the quarter, which may lessen to \$1 billion for the year. ► Prosperity and controversy on the U.S.-Mexican border. ► Madison Avenue fights a new service tax. ► Want an oddball investment? Try baseball trading cards.



24 Nation

Reagan claims exemption from the Boland amendment amid new tales of seeming violation. ► Parents try to restrict violent videos.

68 Books

Wilbur and Orville shows how the Wright stuff got aviation off the ground. ► The restless, searching stories of Jayne Anne Phillips.

58 Space

A powerful new rocket booster sparks fresh talk of a Soviet shuttle flight and highlights Moscow's high-frontier technology.

74 Show Business

At the 40th Cannes Film Festival, the best show is offscreen, as celebs like Princess Di and Supersvelte Liz steal the limelight.

60 Computers

For the first time, the FAA can view all of the nation's airways on one display screen. ► A "magician" exploits bank cash machines.

77 Art

Fluffily hyped, Andrew Wyeth's Helga pictures go on view at the National Gallery and prove to be too much of a medium-good thing.

62 Press

At 100, the Hearst empire thrives in ways its founder would appreciate but not recognize. ► An old hand for sassy young *Manhattan, Inc.*

78 Essay

When a mother grows old, the nature and perception of her role as mother changes. Is she, at long last, a person of her own?

8 Letters 14 American Scene 57 People 59 Medicine 63 Science 64 Religion 66 Food 67 Health & Fitness 71 Music 73 Cinema

Cover:
U.S. Navy photograph

Reasons to keep the typewriter I have:

1. _____

Reasons to buy a new IBM typewriter:

1. No matter how comfortable you are with your old reliable, you'll feel even more comfortable with a new reliable. Today's family of IBM typewriters has the features IBM typewriters are famous for, plus some new ones you'll like even better. And they're not just easy to use, but easy to learn.



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4. To center a line, you won't have to count characters anymore. These typewriters center automatically. They can also justify and make carrier returns automatically, and even underline words as you type them.

F ve. As easily as you can type letters, you can make them disappear. Just press a key and you can automatically back up and erase a character, a word, or in some cases, several lines.



The IBM Actionwriter® 1 Typewriter



The IBM Wheelwriter® 3 Typewriter

6. As your office expands, so can your uses for these typewriters. The Actionwriter,™ Wheelwriter and Quietwriter typewriters can all be plugged in to personal computers to serve as letter-quality printers, yet can still be used as typewriters.

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8. Misspell a word with some typewriters and you might not see it until five lines later. Now, with an IBM Wheelwriter or Quietwriter typewriter you can find out immediately. Spell-Check is an option that recognizes misspellings as you type them and lets you know with a beep. (The beep would go off right heer.) It has a built-in dictionary of 50,000 words with room for even more words or names you'd like to add.

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11. Stacking money, or any columns of numbers, has never been easier. Most models can align columns of numbers around decimal points automatically.

11¹/₄₈. At the touch of a button, you can move the paper up or down by as little as 1/48 of an inch. So you can easily put letters exactly where you want them, which is really helpful for complicated forms. Some models also have half-backspace keys that let you squeeze in forgotten letters without overcrowding the others.

12. If you hate the mess of changing ribbons and other typing elements, that's another good reason for changing typewriters. IBM's high-quality ribbons, correction tapes, printwheels and electronic fonts come in special "clean hands" cartridges.

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IBM



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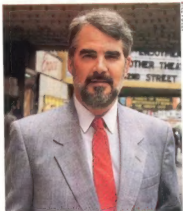
The IBM Quietwriter® 8 Typewriter

A Letter from the Publisher

TIME Senior Writer and Film Critic Richard Corliss watched his first movie, *Cheaper by the Dozen*, at age five in his hometown of Philadelphia. Eleven years and countless boxes of popcorn later, he viewed Ingmar Bergman's *The Seventh Seal* and was struck by the realization that films could be more than mere entertainment. That marked the beginning of a fascination with the cinema that took Corliss to the Côte d'Azur to report this week's two-page Show Business story on the Cannes Film Festival.

Between Philadelphia and the French Riviera was a lengthy apprenticeship. At St. Joseph's College, Corliss helped edit the school newspaper. After studying film history at Columbia University and at New York University, he worked as a film critic for publications as disparate as the *National Review*, *New Times* and the now defunct *Soho News* before joining *TIME* in 1980. In addition to his reviewer's duties, Corliss co-edits a bimonthly journal called *Film Comment* (circ. 48,000), scouts films for the New York Film Festival's program committee and is a member of the New York Film Critics Circle, an association of reviewers who write for magazines and newspapers.

Corliss likens his sojourn in Cannes to "summer camp in the dark." It was his 15th consecutive festival (he started at-



On the job: Corliss in Times Square

tending in 1973). "In Cannes, critics mingle with charming men and beautiful women whose films they secretly plan to savage. For a fortnight on the Riviera, I had a great time."

Back in New York City, Corliss avoids film-industry receptions and social contacts with actors and actresses. "Critics by nature are antisocial beasts. We dodge movie stars because we don't want to believe that those huge gorgeous creatures on the screen are real, tiny people with real, tender feelings that could be dented by an offhand joke in print." Each week he sees an average of a dozen films, usually in screening rooms but sometimes in crowded Times Square theaters. "I like to slip into theaters unnoticed. On Broadway the audience's critical comments are often more piquant than mine, and more interesting than the movie we're all watching."

Despite his familiarity with almost every aspect of the moviemaking business, Corliss has no interest in writing screenplays, directing, producing or acting. Says he: "I'm more analytic than creative. My main interest is batting out shapely prose that will inform the reader."

Robert L. Miller



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And again.

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And again.

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Letters

Source of Power

To the Editors:

This has been a super year for physics. The advance that will undoubtedly have the greatest technological impact is the discovery of high-temperature superconductors [SCIENCE, May 11]. But scientists are also very excited about continuing development of the superstring theory, which seeks to describe the fundamental unity of the forces of nature, Supernova 1987A, and the superconducting supercollider that President Reagan endorsed in January.

John H. Schwarz, Professor
Theoretical Physics
California Institute of Technology
Pasadena, Calif.



I was distressed to learn of yet another breakthrough in technology. Mankind has adjusted to fire and the wheel but has not yet learned to cope with the Industrial Revolution, nuclear energy and automation. Technology is clearly out of hand.

Chapman J. Milling III
Sumter, S.C.

In describing magnetically levitated superfast trains as one of the benefits of high-temperature superconductors, you fail to recognize U.S. accomplishments in the area of fast trains. The speed record for a railway vehicle (steel wheels running on steel rails) is 255 m.p.h., set at the U.S. Department of Transportation test center in August 1974. Then, in discussing Japan's magnetically levitated train, you say its speed can be attributed to the lack of friction. You ignore the fact that at high speeds much of the resistance to forward motion is air resistance, which affects levitated trains too. Finally, you state that there is "no fear of derailment on a section of bent track." However, a damaged or obstructed guideway could also cause problems in magnetically levitated trains.

Louis T. Cerny, Executive Director
American Railway
Engineering Association
Washington

Tightening the Borders

By granting longtime illegal aliens legal status, the Immigration Reform and Control Act of 1986 [NATION, May 4] is moving in the right direction. These immigrants came to the U.S. for the same reason our ancestors did: to be free. They saw a new frontier and a chance to leave unemployment and poverty. How can we slam the door on them?

Mark Wiltzius
Madison, Wis.

The new reform law to stop illegal immigration is not going to work. We have to attack the problem where it starts: on the border and in Mexico. There is no mention of beefing up border patrols or of promoting economic reform in Central America. Trying to solve such a serious matter with mere wrist slapping and paperwork is like trying to stop a tidal wave with an umbrella.

Hans Reigle
Dover, Del.

Wrangling over Waldheim

Most Austrians feel the decision to bar President Kurt Waldheim from the U.S. [WORLD, May 11] was rude and offensive, especially since Austria is a friendly country. While many Austrians are unhappy about the way Waldheim handled the charges that were leveled against him, they are convinced he committed no crimes during World War II. Austria should not be treated like a banana republic. This nation's painful history, particularly from 1918 to 1945, is much too complicated to be judged by U.S. officials. As far as Waldheim's "incomplete" memory is concerned, he joins the ranks of other respectable Presidents who tend to forget important matters after much less time.

Hannspeter Winter
Vienna

As an Austrian observing the political scene in my country from abroad, I would like to thank the U.S. Department of Justice for taking steps against President Waldheim. He has lied about his involvement in the German army during World War II and has been evasive in answering his accusers. Waldheim does not deserve to be President.

Edith Navé
Hohenbrunn, West Germany

London Trader

Your article about the stock-trading scandals in the City of London [ECONOMY & BUSINESS, March 9] included a photograph of the interior of our office and Mr. James Graham, one of our senior executives. The photograph suggested that this firm and Mr. Graham were somehow connected with the scandals described in the story. Neither James Capel & Co. nor

It's a cinch



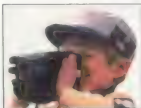
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in

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PBS Wed., June 3, 1987, 10 PM (ET)
Please check local listings.

Letters

Mr. Graham was involved in any way with the matters that were the subject of the article.

P.J. Quinnen
James Capel & Co.
London

TIME did not mean to imply that James Capel & Co. or Mr. Graham was involved in any scandal.

Competing in the Sky

Whenever there is discussion about the rivalry between the European Airbus and its U.S. counterparts [ECONOMY & BUSINESS, May 11], the same old arguments about unfair competition crop up. However, you did not mention that the different versions of the Airbus are fitted with U.S. turboprops built by Pratt & Whitney and General Electric. The situation for the U.S. aircraft industry is therefore not as bad as you describe it.

Denis McKee
Reims, France

Although the Airbus is heavily subsidized by European governments and undercuts its competitors, it undeniably addresses the bottom line that airplane buyers are looking for: a quality product at low price. If American airplane manufacturers continue to blame the Airbus for their problems, they are deceiving themselves. It is time U.S. businessmen got rid of their complacency and took decisive steps to change the way they do business. If our airplane companies are unwilling to reorganize and cut costs, they are destined to follow in the footsteps of our steel, automobile and semiconductor industries.

Ajit Panse
Seattle

Death in Nicaragua

Contra terrorism, designed and paid for by this country, killed Benjamin Linder, a young engineer living in Nicaragua [WORLD, May 11]. Linder was working on a much needed rural electrification project. He chose to help rather than exploit his neighbors to the south. That, unfortunately, made him a "Communist" in the eyes of the *contras*, and they murdered him.

Eugenia Birkhead
Colorado Springs, Colo.

Separate Accounts

As you say in your story "Fight for Survival" [ECONOMY & BUSINESS, May 4], there is a battle going on between commercial banks and investment banks. But there is a bigger financial fight raging, with far more profound consequences for the American consumer and the future of our financial system. At issue is whether corporate giants like General Motors, Sears and Honda should be allowed to own non-bank banks, which would de-

stroy the historic separation between banking and commerce in this country. The Reagan Administration supports the breaking down of these walls. Federal Reserve Board Chairman Paul Volcker, among others, does not. The matter, now before Congress, makes the turf wars between commercial banks and investment banks look like a molehill.

Kenneth A. Guenther
Executive Vice President
Independent Bankers Association
of America
Washington

Cultivating Connoisseurship

As a graduate student in art history, I must take exception to the response to your article on the auctioning of Van Gogh's *Sunflowers* [LETTERS, May 4]. A reader states that "paintings were meant to be enjoyed by individuals with taste and an understanding of the artist's talent. They were not meant to be viewed by hundreds of schoolchildren being shooed past canvas-laden museum walls on the way to the cafeteria." The attitude displayed here is one of blatant elitism, which not only equates the enjoyment of art with a certain level of education but also implies that "taste" will be found exclusively among the rich, who can afford to buy original works of art.

Adela Oppenheim
Philadelphia

Homes for the Homeless

I was moved by the item about San Francisco Architect Donald MacDonald, who has designed small, waterproof shelters for the city's homeless [NATION, May 11]. The Reagan Administration chooses to allot millions of dollars to foreign countries while ignoring certain domestic problems. The homeless wandering our streets are Americans. Our Government should be serving its own citizens before distributing money abroad.

Marshall J. Paul
Adel, Iowa

Henry David Thoreau beat Donald MacDonald to plywood sleepers more than 100 years ago, when he wrote in *Walden*: "I used to see a large box by the railroad, six feet long by three wide, in which the laborers locked up their tools at night; and it suggested to me that every man who was hard pushed might get such a one for a dollar, and... get into it when it rained and at night, and hook down the lid, and so have freedom in his love, and in his soul be free."

Evelyn Gelertner
Litchfield, Conn.

LETTERS TO THE EDITOR should be addressed to TIME, Time & Life Building, Rockefeller Center, New York, N.Y. 10020, and should include the writer's full name, address and home telephone. Letters may be edited for purposes of clarity or space.

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American Scene

In California: A Palette of Lint

Not to make too much of it, but Slater Barron is a lint artist.

A what?

An artist whose medium is lint.

Oh, like before Easter.

No, not Lent, lint—like in your pocket.

So what kind of fuzzball are we talking about here?

We're not talking fuzzball, we're talking art, using fuzzballs, ahem, lint.

Barron gets so tired of talk that runs like that, and yet it happens all the time. "I've been working with lint so long, I don't see it as anything but an art material," she says. "Artists work with weird materials, or what some people see as weird. I'm not any different from any other artist."

She does not mean that she is not any different from any other artist, rather, that her individuality is not so rare when one considers the art scene. Or at least that is what one gathers in Slater Barron's presence—that and lint.

Come again? Say that straight.

Art doesn't have to be linear—

But you do.

Why?

Art doesn't have to be understood.

You have a point.

Slater Barron: born East Orange, N.J., 1930; graduated Susquehanna University, 1951, degree in sociology; 1951-53, child-welfare work; 1953-55, U.S. Navy officer; 1955, marriage to U.S. Marine; 1963, art course for military wives while stationed in France; 1963-74, moving, moving, moving, mother of four children, trying to paint and cook and sew and clean house until one day, as she was working in oils, the buzzer went off on the dryer and a light bulb went on in her head. Lint!

"There were so many clothes, so much washing interrupting my painting," she recalls. "I was just trying to turn a detriment to my advantage." A little glue, a little canvas, a little lint—in time she began to regard it as "so painterly." Still, there was the artist's dilemma: "What did I want it to say for me? I was looking for strong social commentary. I didn't want it to be a decorative thing. And then, of course! It could speak for what it was. The work became much more three dimensional."

Her art is about nostalgia, Barron says, for lint is nostalgic. It is about the fragility of life, and disintegration and



Slater Barron: from life's lint traps, art about nostalgia

death. And yet on the surface it has "the soft look of impressionism." One imagines a sort of shaggy Monet's *Flower Garden*, done in dust balls.

In 1975, a year after she turned from oils to lint, Barron was divorced, and she says happily so. The last stop in the peripatetic life of a military wife was Long Beach, and there she settled in a stucco house with a cedar-shake roof, palms and jacarandas along the street, rosebushes and jasmynes running along the fence. From this base she would attain a master's in fine arts, a job teaching at nearby Brooks College and a world of lint. Friends, neighbors, students began to save it for her.

Is this kitsch, or is this art?

Art is a personal thing, like plaid pants, so pipe down.

Something broody crept into her work. From flowers, fashioned from lint and showcased in acrylic boxes, came scenes. An intimate birthday party, with a chocolate cake, flowers and candles on the table, two figures seated across from each other, and the artist's comment: "All the romantic items—the roses and things—sometimes obscure the other person. There is tension between the people. But it's a birthday! You still observe it. But the food might taste like lint."

From old photographs, Barron chron-

icled her family with lint portraits, and the results in some instances are haunting. Stand back, and there is a vibrant wedding party, the artist in the middle as a young flower girl; look close, and there is a jumble of fibers that came from the cuffs on your least favorite trousers. She has done four studies of her aged mother, who has been ravaged by Alzheimer's disease. In one there is a woman toddling along in a jogging suit, and in another there is a bent-down crone who has lost her mind.

She make any money?

As much as \$800, as little as \$17.76.

Good paint-and-body man makes more.

And has less anguish. Listen.

Occasionally Barron creates whole lint rooms, or "conceptual environmental," or simply, as she often puts it, installations. One of the most intriguing was called *Six o'Clock News*. Its inspiration: "I would visit my parents, and they would be watching the news, not knowing what was

going on, just sitting there with the TV. lost." It is an 18-ft. by 27-ft. room—in all, enough lint to fill a U-Haul van, ceiling to floor, which it does. It is like one of those Koren cartoons in *The New Yorker*—everything and everybody is fuzzy—except it is not at all funny.

To put together such a thing, she pastes lint to the furnishings in the room and the wire figures that represent her mother and late father. The worst part of it—"drudge work," Barron says—is the floors and walls. A project this size usually exhausts her lint supply.

Then her network kicks in. Pure white lint has long been the hardest to come by (not so in the days before disposable diapers). "After Christmas is always great lint," Barron says. "People wash things for the first time. And new towels. I can always tell when the neighbors buy new towels. There's some wonderful psychic energy going on around me when people do their wash."

Not only that, when she thinks of the lenty road ahead, the artist remembers that "one old man came up to me at a show and said, 'If you've got lemons, make lemonade,' and I thought that was a good way to look at life."

You agree?

Sure. Lemons, lemonade. Lint, art. Makes sense, kind of. —By Gregory James

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■ After a memorial service at the *Stark's* home port, the First Lady and President Reagan comfort the relatives of the dead servicemen

■ In Bahrain, palibearers carry a seaman's casket to an Air Force plane

■ The widow and five-year-old son of Chief Petty Officer Stephen Kiser watch the somber ceremony in Bahrain



COVER STORIES

"Why Did This Happen?"

A wayward missile that strikes a U.S. frigate causes reverberations



In a sweltering helicopter hangar at a naval station in Florida, faced by more than a thousand tearful mourners, Ronald Reagan performed one of those tasks he does best. Honoring young Americans who have lost their lives in one of their country's fitful attempts to assert itself in a troubled world has, alas, become for him a practiced ritual. Speaking somberly of the latest tragedy, and of the latest set of victims he called heroes, the President asked, "Why did this happen?"

It was a question that had reverberated on many levels throughout the week, as the nation tried to understand how a senseless military mishap and a puzzling American role in a faraway war had somehow combined to cost the lives of 37 sailors trapped in their bunks aboard the U.S. *Stark*. "Americans today," the President noted, "know the price of freedom in this uneasy world." And then, once again, a bugler played taps.

The blindsiding of an American frigate caught with its defenses down by an Exocet missile seemed, on one level, nothing more than a tragic accident. No harm intended. No one really to blame. Regret and reparations offered. Yet, curiously, the fact that the tragedy seemed so dreadfully meaningless caused its ripples to swell and become more troublesome as the week wore on. A nation that had committed itself to building an expensive 600-ship Navy began to worry whether the ships might be sitting ducks whenever they sailed into harm's way. A nation that has been unable since Viet Nam to feel truly comfortable asserting its global role began

to feel gun-shy about protecting its national interests even in the strategically critical Persian Gulf. A nation that takes pride in the bravery of its fighting forces again tried to understand why servicemen were killed performing political missions in which they were not supposed to fight.

The Reagan Administration swiftly tried to defuse the crisis, minimizing its significance. Defense Secretary Caspar Weinberger characterized the attack as a "single, horrible error on the part of the Iraqi pilot" who mistook the frigate for an Iranian tanker. Iraq's President Saddam Hussein promptly sent an apology to the U.S. "I hope this unintentional incident," he wrote, "will not affect our relations and the common desire to establish peace and stability in the region." The Iraqis also agreed to pay compensation to the families of the victims and reparations for damages to the \$180 million ship.

Had it been on, the *Stark's* Phalanx defense system would probably have been able to spray a Gatling-gun burst that could have turned the incoming missile into a brief footnote to the news. The *Stark* was sailing at Condition Three, the middle of five stages of alert, and its weapons systems were supposed to be fully manned and operational. But there was an inexplicable lapse, with key radars failing to detect the missile's launch and the Phalanx system remaining off. This was clearly a tragic failure for a vessel sailing in an area where more than 200 ships have been attacked during the past three years. "Everybody in town knew there was a war going on in the gulf except the Navy," says Jeffrey Record, a military analyst with the Hudson Insti-





After the attack: the *Stark*, moored off the coast of Bahrain, a yawning gash revealing the ship's charred and mangled innards
Said Dole: "What are our goals? What is our strategy? What are the risks? And how much cost are we willing to pay?"

tute. The Navy appointed a board of inquiry to examine possible lapses in judgment and equipment, but it cautioned against drawing too many conclusions about the vulnerability of the American Navy.

"The problem was the unclear circumstances of the *Stark's* mission," says Naval Analyst Norman Polmar. "The captain didn't know whether he was at war or peace." Yet despite charges that the Navy's mission in the Persian Gulf was poorly defined, it was in fact the most traditional of all naval roles: helping keep essential sea-lanes open and showing the flag in a region of vital interest.

Much of the criticism of the Reagan Administration's push for a 600-ship Navy has been that it is designed for a dubious new mission: threatening the Soviet mainland during the early stages of a superpower showdown. Journalist Jack Beatty, writing in the May issue of the *Atlantic* magazine, argues that the Navy should concentrate more on its less glamorous time-honored role—which happens to be what the *Stark* was doing last week. One problem, however, is that the vulnerability and cost of America's large aircraft carriers mean that the Navy does not feel safe stationing one inside the shallow and crowded waters of the Persian Gulf, thus making air cover for ships in the region more difficult.

In an effort to make clear that he did not intend for U.S. ships to be in defenseless positions, the President announced that all vessels in the gulf were told to take a far more defensive posture. "From now on," he told a Chattanooga, Tenn., high school, "if aircraft approach any of our ships in a way that appears

hostile, there is one order of battle: defend yourselves, defend American lives."

More significantly, Reagan reasserted the American role in the Persian Gulf and in fact extended it. The Administration announced it had decided to fly the U.S. flag over eleven oil tankers belonging to Kuwait, an oil-rich Persian Gulf state whose ships have frequently been bombed by Iranian planes. The reflagged Kuwaiti tankers will be entitled to U.S. Navy protection.

The Administration defended American presence in the gulf as vital to the nation's security.

"Were a hostile power ever to dominate this strategic region and its resources," Reagan said at the memorial service at Mayport Naval Station, "it would become a choke point for freedom—that of our allies and our own." Weinberger stressed that if the U.S. backed down, the Soviets would move in. "We simply cannot allow the Kremlin to have its will over this region," he said last week. "We will not be intimidated. We will not be driven from the gulf." Indeed, Moscow pre-empted the U.S. in aiding Kuwait: the Kuwaitis currently lease three Soviet tankers.

Within the Administration, there was a debate over whether to consult officially with Congress about the decision to protect Kuwaiti tankers. The 1973 War Powers Resolution requires the President to notify Congress if American forces are being placed in "situations where imminent involvement in hostilities is clearly indicated." At a tense White House meeting, Chief of Staff Howard Baker and Attorney General Edwin Meese urged the President to invoke the War Powers Resolu-

tion while Weinberger and Secretary of State George Shultz argued against it. In the end, the President decided that the situation did not call for the resolution.

Congress would not let Reagan off the hook. "We need to rethink exactly what we are doing in the Persian Gulf," said Republican Senate Leader Bob Dole, a candidate to succeed Reagan. "What are our goals? What is our strategy? What are the risks? And how much cost are we willing to pay?"

Dole co-sponsored a resolution with Democrat Robert Byrd requiring that the President present Congress with an analysis of those questions. Said Byrd: "I believe that it is appropriate to ask the Administration to provide the Congress with a full report before we implement any agreement with the Kuwaiti government." The Senate passed the measure by a 91-to-5 vote.

What bothered many Congressmen was that the Administration seemed to be using the military to make a symbolic diplomatic statement. Deploying sailors as peace enforcers in the gulf revived memories of the ill-conceived deployment of Marines in Beirut, which left 241 servicemen dead after a surprise truck bombing. Although it has never fought a declared war, the Reagan Administration has witnessed the loss of at least 331 servicemen since it took office.*

In addition, Congress expressed dismay over Saudi Arabia's failure to intercept the Iraqi jet after an AWACS radar

*Besides the 37 on the *Stark* and the 241 in Beirut, these include two airmen killed during the Libyan raid, one downed over Syria, 19 killed in hostile action in Beirut, seven in Central America, 18 during the "rescue" mission in Grenada and six by terrorist acts directed against military personnel.

plane operated jointly by Saudis and Americans spotted it. Displeasure over the incident was so great that the Reagan Administration last week delayed submitting a proposal to sell new F-15 fighter jets to the Saudis. Remarkably Byrd with considerable understatement: "I think it would have a tough ride right now."

There was concern expressed in Congress and elsewhere that U.S. allies were not doing enough to protect their interests in the Persian Gulf. The critics noted that while 25% of Western Europe's oil and 60% of Japan's comes from the gulf region, only 7% of America's does. "The U.S. is not alone interested in the area," declared Florida Democrat Charles Bennett. "The U.S. alone should not bear the burden of its security." The Administration argued that regardless of the depth of our allies' commitment in the gulf, it was still in America's best interest to ensure the safety of oil shipments. To do nothing, said Secretary Weinberger, "ignores the fact that the world oil market is one market, and should Persian Gulf oil supplies be disrupted or stopped, then oil prices would rise for everyone."

The U.S. has officially avoided taking sides in the 6½-year-old war between Iran and Iraq. In 1984 the warring nations began attacking each other's oil shipments and, inevitably, hitting tankers from third countries in the region. Iran's favorite targets have been ships going to and from Kuwait, an ally of Iraq. The U.S. now publicly blames Iran for prolonging the war. Despite its boisterous arms-for-hostages deal with Iran, the Administration has been urging other countries to cut off military shipments to that nation, and last week it requested that the Soviet Union put similar pressure on East bloc countries and North Korea.

The *Stark* and other members of the Navy's Middle East patrol were showing the flag in the Persian Gulf. The Administration believed neither of the warring nations would dare attack a vessel traveling in the shadow of a U.S. warship for fear of American retaliation. Says a State Department official of the display of American military might in the gulf: "It's what gives our policy teeth." Following America's lead, Soviet naval boats also began patrolling the gulf.

After the attack, the Administration seemed as eager to blame Iran as it was to forgive Iraq. Reagan called Iran the "villain in the piece." While the Iranians were not directly involved in the incident, they have upped the stakes in the gulf war in recent months by installing Chinese-made Silkworm missiles near the Strait of Hormuz. Last week the Iranian government gloated over the *Stark* catastrophe.

"The great Satan is trapped," exulted Iranian Prime Minister Mir Hussein Mousavi. "The Persian Gulf is not a safe place for the superpowers, and it is not in their interest to enter these quicksands."

Indeed, the Persian Gulf has proved to be nearly as hostile an environment for the Soviets as it is for the U.S. About 36 hours before the assault on the *Stark*, a Soviet tanker, accompanied by a U.S.S.R. navy frigate, struck a mine some 35 miles from the Kuwaiti coast. There were no casualties, but the tanker was effectively crippled. On May 6, an Iranian gunboat opened fire on a 6,459-ton Soviet freighter; it marked the first time that Iran had struck a vessel traveling under the flag of a superpower. The Iranian government reportedly assured the Soviets that the assault was unauthorized and had been waged by a rogue band of Revolutionary Guards. The Soviets accepted the explanation and did not retaliate.

What would happen if Iran hit an American ship or a Kuwaiti one flying the Stars and Stripes? When reporters asked Assistant Secretary of State Richard Murphy how the U.S. would respond, he re-

sponded: "The great Satan is trapped," exulted Iranian Prime Minister Mir Hussein Mousavi. "The Persian Gulf is not a safe place for the superpowers, and it is not in their interest to enter these quicksands."

The waves from the attack on the *Stark* raised even more fundamental questions about what America is prepared to do. The issue of what global commitments it is willing to make has caused the U.S. to squirm ever since its disastrous involvement in Viet Nam. Each succeeding tragedy involving American lives twitches a neo-isolationist nerve. The lesson of Viet Nam, many argue, is that the U.S. should resist the urge to send troops blundering into explosive regions where they are destined to be snared in regional quarrels and nationalist conflicts. Vague, lofty notions of maintaining an American empire are not worth the loss of our soldiers' lives.

But if the American public should decide that the nation has no worthwhile role to play in the Persian Gulf or that the commitment there is not worth the price, it would be the most serious retreat yet from the leadership role the U.S. assumed after World War II. Until that time, Britain had considered the Middle East part of its

sphere of influence and sought to protect Western interests there. Britain's global retreat in the wake of the war marked the emergence of America's world role. Washington resisted Soviet probes into Iran in 1946, and since then has played a dominant role in the region. Under what became known as the Carter Doctrine, for example, the U.S. declared the Persian Gulf to be an area of vital strategic interest and pledged to defend it militarily from any incursions by the Soviet Union or any other nation.

During his six years in office, Ronald Reagan, with a strategic doctrine based on his rhetoric about "standing tall," has readily deployed American military might near trouble spots around the world. He is certain to resist any attempts to scale back the U.S. presence in the gulf. Said the President last week: "As we grieve the loss of our brave sons, let no one doubt our resolve to protect our vital interests in the Persian Gulf or anywhere else."

Reagan readily acknowledged the difficulty of such a task at Friday's memorial service. Recounting the sorrow of an Iowa couple who lost all five of their sons in a World War II battle, he said, "In some ways, it was easier to bear then because it was easier to understand why we were there, why we were fighting." Then he added sadly, "The burden of our time is so different." —By Jacob V. Lassar Jr., Reported by David S. Jackson/Bahrain and Barrett Seaman and Bruce van Voorst/Washington



Reagan conferring with Weinberger in the White House Situation Room

plied, "Iran would be reluctant to engage the U.S. militarily because of concern over our response." Murphy pointed out that no American ship had been hit in the past and claimed that Iranian officials had assured the Administration that Iran would not strike U.S. vessels. Pressed, however, Murphy admitted, "There is a risk there. We don't deny it." An Iranian attack, he added somewhat ominously, "would add a new dimension to the war."

The White House immediately dissociated itself from Murphy's remarks. "We disagree with Murphy," said Spokesman Martin Fitzwater. "Our position is that reflagging is just a deterrent but does not represent an increase in hostilities in any way." The dispute left many wondering, and worrying, about what the U.S. response

1. 8 p.m. (12 noon EDT): U.S. AWACS begin tracking an Iraqi Mirage F-1 as it leaves an airfield near Basra. The F-1 flies south, hugging the Saudi Arabian coast.
2. The frigate U.S.S. *Stark* also detects the F-1 on radar when it is 200 miles away and sends out two radio warnings.



3. [0:10 p.m. (2:10 p.m. EDT)]: The Iraqi plane veers toward the *Stark* and fires one, probably two, missiles from twelve miles away.

4. Flying a few feet above the water, the missiles home in on the *Stark* and are not detected until it is too late.

5. Within two minutes, they strike the *Stark*. One missile hits the port bow, incinerating the crew's quarters.

6. Immediately afterward, Saudi F-15s are asked to intercept the Iraqi plane and force it down, but they do not receive permission in time and are running out of fuel.



A Shouted Alarm, A Fiery Blast

The Stark hardly knew what hit her



As is often true in the Persian Gulf, the seas were placid, and the sailors standing watch aboard the U.S.S. *Stark* could see an endless display of stars in the clear evening sky. The sleek vessel, 445 ft. long and 45 ft. at the beam, slipped quietly through the water at a mere four knots. Under the subdued lights of the combat information center inside the warship's superstructure, sonar operators watched their blue-green screens and listened with headphones for the ping sounds that would indicate the presence of underwater mines.

For the 221 officers and enlisted men on the *Stark*, the duty seemed almost too routine. They had been patrolling the gulf for nearly two months, spending much of their time on "Condition Three" alert: midway in a range of five conditions, it meant that a third of the crew was on duty at all times, working four-hour shifts before taking eight hours off. The ship's varied defensive systems were all manned and presumed to be operational.

Captain Glenn Brindel, 43, commander of the *Stark* since January 1985, knew that the gulf's serenity was often illusory. With mines concealed below, jet fighters screaming above and antiship missiles lurking onshore, sudden violence was an ever present danger. More than 200 vessels had been attacked in the gulf during the past three years. Earlier on this day, Iraqi jets had delivered missiles into a Cypriot tanker, leaving it dead in the water. The increasing threats to shipping in the vital region were precisely why the *Stark* was there, signaling U.S. determination to keep the oil lifelines open.

At the moment, however, the ship was in a relatively safe area some 80 miles northeast of the island nation of Bahrain and fully 40 miles south of the main war zone. A frigate of the *Perry* class, the smallest combat vessels in the U.S. Navy, the *Stark* was steaming alone. The closest ship was 35 miles away. The U.S.S. *La Salle*, the flagship for the seven warships operating in the gulf, was in port in Bahrain.

While the frigate dawdled along, its search radar sweeping the skies in a 225-mile radius, other American military eyes

were also watching the gulf. Earlier, an Airborne Warning and Control System (AWACS) surveillance plane had taken off from its base in Saudi Arabia, which operated the electronics-laden Boeing 707 jointly with the U.S. On radar, the combined U.S.-Saudi crew detected a single Iraqi Mirage F-1 aircraft as it lifted off from the Shaibah military airport ten miles southwest of Basra at around 8 p.m. Heading southeast along Saudi Arabia's coast as Iraqi planes often do, the Mirage flew much closer to Bahrain than was normal. Suddenly, the fighter jerked into a sharp left turn, heading east. The Iraqi pilot apparently had spotted a target on his scope.

Aboard the *Stark*, radar operators picked up the jet when it was about 200 miles to the north and tracked its southward course until it was virtually due west, well off the frigate's port bow. At that point, no one on the American ship



had particular reason for alarm. As Brindel said later, Iraqi warplanes "commonly come down the gulf and pass within close distances." None of them had ever attacked a U.S. vessel. Even the Iranians, whom the Americans considered a greater threat, often flew their jets within missile

range of U.S. warships but would back off after receiving radio warnings.

Now the Mirage, flying at 5,000 ft., headed toward the *Stark* at 550 m.p.h. Tucked under each wing was a French-made Exocet AM39 air-to-surface missile with a 352-lb. warhead and a range of 40 miles.

At 10:09 p.m. Brindel ordered a radio operator to flash a message: "Unknown aircraft. This is U.S. Navy warship on your 078 [the *Stark*'s bearing relative to the Mirage] for twelve miles. Request you identify yourself. Over."

The message was sent in English, the internationally recognized language for such communications, and on a radio frequency that military aircraft are expected to monitor. There was no response. The Iraqi fighter was still closing in on the *Stark*. The ship sent a more demanding message 36 seconds after the first: "Unknown aircraft. This is U.S. Navy warship on your 076 for eleven miles. Identify yourself and state your intentions. Over."

Again, there was no answer. From that distance, the pilot might have been able to see the *Stark's* running lights.

Brindel, who was not on the bridge but in the combat information center one deck below, still expected the plane to pull away. The ship's monitors gave no indication that the pilot had locked his targeting radar on the slow-moving frigate, a necessity before launching a missile.

Twenty thousand feet overhead, the AWACS crew had noted the Iraqi jet's search radar sweeping the *Stark*. But the airborne observers too failed to detect any evidence that the frigate had been targeted. At 10:10 p.m., however, the AWACS crew was startled to see the fighter suddenly bank sharply to the south, then circle tightly and dart northward toward its home base.

Both the AWACS spotters and those on the *Stark* had missed the most ominous sign of all: just before its twisting turns, the Mirage had released one of its Exocet missiles. Within seconds it launched another. Traveling at more than 500 m.p.h., the initial warhead would reach the *Stark* in one minute.

The radars on the *Stark* should have detected the missiles after they left the Mirage. But for still unexplained reasons, they apparently did not. Thus no one on the ship was aware of the incoming warheads. The lapse would prove tragic. Despite the frigate's sophisticated gadgetry, the first word that she was under attack came in a most ancient seagoing manner: a lookout spotted the incoming "flying fish" skimming just 15 ft. above the water. Like Captain Ahab sighting Moby Dick, the sailor shouted a warning into his intercom to the bridge.

There was almost no time to react. The first Exocet would hit the *Stark* within ten seconds. To Brindel, that was not enough time to get the ship's Phalanx antimissile system switched from a manual to an automatic mode and into action.

The missile struck, ripping through the thin steel hull midway between the deck and the waterline. It tore open a 10-ft. by 15-ft. hole on the port side. Spewing unexpended fuel from its short flight, the Exocet smashed into the crew's cramped quarters. Sleeping sailors were jolted out of their bunks. Some were hurled through the ship's open wound and into the sea.

The flames torched upward, igniting the frigate's aluminum framing, and swept into the combat information center. The *Stark's* electrical systems quit, and the ship was paralyzed. Even if the crew had known that yet another missile was racing toward them, they would have been literally powerless to do anything about it.

"There was an explosion, and I was thrown out of my rack," recalled Petty Officer Michael O'Keefe. "I heard them saying, 'General quarters, general quarters, all hands man your battle stations.' I started yelling and pulling people out of



their racks. I made it to the exit, but there were flames already there. I told everybody to go to the emergency escape hatch. We got there, and we had water already pouring in." Then came the second explosion. Still, O'Keefe kept pushing some of his mates toward an escape hatch. "I grabbed them by their heads and their pants, just shoving them out. Then I smelled smoke, and I saw the fireball."

The second missile sliced thunderously through the superstructure, spreading more flames. The unexploded warhead from one of the two missiles was found three days later, after the repeated fires had been extinguished and crewmen were able to enter the area. The *Stark's* fire fighters also found to their horror that many of their mates had been incinerated in their triple-tier bunks or asphyxiated by fumes as smoke and toxic gases flowed through the ship's ventilation system.

With the vessel's normal electronic system disabled, a crewman issued a distress call with a small hand-held radio powered by a battery. It was heard aboard

the U.S.S. *Waddell*, a Navy destroyer, which spread the word that help was needed. Nearby vessels and helicopters from Bahrain responded.

The *Stark's* situation was critical. "It was a close call," a Pentagon source explained later. "For a while we thought we'd lost her." As the fires raged, the ship's starboard side was deliberately flooded to lift the damaged port side farther above the waterline. Even as Secretary of State George Shultz publicly announced the attack that night, there was no assurance that the *Stark* would survive. But the crew fought heroically to check the inferno.

One nation's response to the tragedy could have been quicker. When the AWACS crew realized that the Iraqi plane had attacked the *Stark*, it sent an urgent plea to two Saudi pilots who had earlier scrambled their U.S.-built F-15s from the Saudi air base at Dhahran. The AWACS asked the Saudis to chase the Mirage and force it to land. The Saudi airmen were eager to comply, but their ground controller did not have authority to permit such an operation. Before he could secure approval, the killer aircraft was safely at home in Iraq.

Three days later a weary Brindel told reporters that the Iraqi Mirage had attacked his ship "without warning." He acknowledged that the assault was probably a mistake, but he expressed his anger at Iraq for sending pilots "to fire on targets without identifying those targets." His rules of engagement had permitted him "to shoot anyone down that shows hostile intent," he said, but his interpretation of that rule was that he should not open fire unless the threatening aircraft actually "is shooting a weapon



After the attack: the *Stark's* skipper; his vessel escorted by a U.S. ship

"Unknown aircraft: identify yourself and state your intentions."

Nation

at you." Brindel insisted that the "entire combat system aboard the U.S.S. *Stark* was fully operational. There were no deficiencies. We did not realize the missile was fired until it was too late to engage with our systems."

The Navy immediately began an urgent investigation into all circumstances of the tragedy, particularly the reasons for the *Stark's* failure to spot the missiles that were headed her way. Investigators will undoubtedly interview two U.S. Navy technicians based in Bahrain who said that the *Stark's* Phalanx system had a computer problem the day before the attack. Berthed in Bahrain at that time, the frigate went back to sea without getting the Phalanx fixed, the

technicians claimed, because a key part was unavailable.

The *Stark's* skipper will be quizzed extensively. "I feel grief and a lot of sorrow for what happened," he said. "I don't know whether any of it was my fault... I don't know whether it was an act of God." When a Navy helicopter carried 35 flag-draped caskets (the bodies of two other crewmen are missing) to an honor guard salute in Bahrain before the long journey to the U.S., the ship's captain was consoled by a survivor of one of the victims. Barbara Kiser, wife of Chief Petty Officer Steve Kiser, had traveled to Bahrain with their son John, 5, for a family reunion. Instead, she stood beside Brindel as casket No. 33 was placed aboard a C-141B Star-

lifter-aircraft. "She told me that her husband was not in that casket," the captain explained. "Her husband was with the Lord, and the Lord had reasons for what happened. She lent more support to me than I to her."

On Friday relatives of the *Stark's* fallen crewmen gathered for a memorial service at the frigate's home base in Mayport, Fla. Once again, Ronald Reagan and his wife Nancy were on hand to console the families of Americans who had died in the service of their country. Beirut. Grenada. Gander. *Challenger*. The U.S.S. *Stark* had joined the short list of names that evoke a nation's sorrow.

—By Ed Magnuson
Reported by David S. Jackson/Bahrain and
Bruce van Voorst/Washington

Troubled Waters

While the U.S. has its own strategic interests to defend in the Persian Gulf region, the West Europeans and Japan clearly have the most at stake in that dangerous area. Yet some U.S. officials complain that America's allies are not contributing enough to the gulf's defense, and Kenneth Timmerman, author of a recent study on arms sales to Iran and Iraq titled *Fanning the Flames*, agrees. Says Timmerman: "The Europeans are doing nothing to safeguard their own interests in the gulf."

At present levels of consumption, only 7% of America's oil comes from gulf producers, in contrast to nearly 25% of Western Europe's and 60% of Japan's. Some of the 5.7 million barrels of gulf oil consumed each day by Western Europe and Japan is pumped through pipelines to terminals in the Red Sea and Mediterranean. The bulk, however, is shipped out in supertankers that must run the gauntlet of the gulf and the narrow Strait of Hormuz.

The West's dependence on the region for vital energy is unlikely to diminish since the gulf contains more than half the world's proven oil reserves. The Paris-based International Energy Agency warns that by the year 2000, the major industrialized countries of the West could be importing 60% of their oil, with gulf producers supplying a growing percentage of that.

Oil, though, is not the whole story. For the past 15 years, petrodollar-rich gulf states have provided a lucrative market for a vast array of Western products. Europe's export-dependent defense industries in particular have enjoyed a multibillion-dollar bonanza in the region. Although declining oil revenues in recent years have slowed the spending spree, the gulf remains an important market for West European and Japanese exporters. Last year British sales to the region were worth more than \$8 billion, while French exports, excluding arms, brought in around \$3 billion. The Japanese sold \$6.8 billion in the region.

The West Europeans and Japanese recognize their vulnerability in the gulf but are unable to match the U.S. or Soviet military presence in that far-flung region. Japan's constitution prohibits deployment by warships beyond 1,000 nautical miles from the home islands except on training cruises. That forces Japanese tankers to either restrict their operations in the gulf or sail unprotected under the dubious cover of night. Britain keeps only two frigates in gulf waters on a rotating basis, and France, which has four destroyers stationed in the western Indian Ocean, shows the flag from time to time by sending these warships into the gulf to provide a display of "dissuasive presence."

Western Europe's navies, explains Robert O'Neill, director of the International

Institute for Strategic Studies in London, cannot spare military forces for the gulf without making "serious inroads" in their well-established European defense commitments. Still, British and French warships in the region, though operating independently, maintain close contact with American naval forces stationed there. Says a senior British defense official: "If there were any attempt to close the Strait of Hormuz and prevent the passage of Western oil tankers through the gulf, I have no



Under fire: Western oil tankers must maneuver in a dangerous area

doubt that the three navies would act together to keep the route open."

Despite their lack of military muscle in the region, West European countries have played a significant role in continuing the Iran-Iraq conflict as major suppliers of military hardware. France in particular has helped to keep Iraq equipped with the latest weaponry, selling Baghdad some \$12 billion worth of materiel during the past decade. Without those sophisticated arms, Iraq would soon be defeated and cease to serve as a buffer between revolutionary Iran and the rest of the Middle East, a development that could have dire consequences for the West. Nonetheless, last week's tragedy was compounded by the fact that French-built missiles, fired from a French-built Iraqi fighter, disabled an American warship that had been sent to the gulf to defend Western interests.

When Attackers Become Targets

The Navy's high-tech warships are still prey for "sea skimmers"



Isolated and exposed on the open seas, surface fleets in the 20th century have proved increasingly vulnerable to a succession of ever more sophisticated attacks from the air. In 1921, Army Air Service General Billy Mitchell demonstrated that rudimentary aerial bombardment could scuttle the most heavily armed warships, a lesson Japan put to good use when it nearly destroyed the U.S. fleet at Pearl Harbor. Carriers that could launch swarms of fighter planes became the dominant sea weapon in World War II. Although the Reagan Administration has committed the U.S. to a 600-ship Navy with 15 carriers, some strategists consider flat-tops to be expensive behemoths. The problem with surface ships, argues Jack Bentley, a journalist and critic of the buildup, is that "instead of being attackers they become targets."

That lesson was vividly illustrated during the Falklands war in 1982 when an Argentine aircraft dispatched an Exocet missile to sink the British frigate *Sheffield* some 40 miles away. In the next two years the French-built sea-skimming missiles were snapped up by 27 nations. Even third-rate powers suddenly acquired the ability to threaten valuable warships from over the horizon.

After the *Sheffield* sinking, U.S. Navy brass insisted that newly developed defensive systems would protect the rapidly growing American fleet from the sea skimmers. The *Stark* disaster has not changed that view. Former Navy Secretary John Lehman points out that although the *Sheffield* was destroyed by a single Exocet, the *Stark*, with a more durable superstructure and redundant protective systems, was hit by two missiles and still "sailed home under its own steam." Moreover, since the U.S. frigate was blindsided by a supposedly friendly plane, its defensive systems were never tested. "This is basically a weird exception," says Michael McGwire, a naval intelligence specialist at the Brookings Institution. "Under normal circumstances the *Stark* would have blown the aircraft out of the sky."

Certainly the *Stark*, a lightly armed escort vessel, had an impressive array of aerial defenses. The ship's Mk 92 fire-control system can guide an antiaircraft

missile to intercept incoming aircraft up to 90 miles away. Closer in, its Italian-made OTO gun can fire 3-in. antiaircraft shells at a rate of 90 a minute, dealing sequentially with as many as three incoming intruders at a range of up to twelve miles. Rockets that spray radar-attracting aluminum chaff can divert incoming missiles, and the frigate's electronic defenses can deceive attackers by producing fake radar images of the ship.

Like most U.S. warships, the *Stark* has a last-ditch weapon: the Phalanx, a six-barreled Gatling gun capable of firing 3,000 rounds a minute of uranium. 2½



A video gallery of scopes and status boards aboard the carrier U.S.S. *Carl Vinson*. However sophisticated the defense, smarter weapons inevitably emerge.

times as dense as steel, to create a wall of metal in front of the attacking missile. But the Phalanx system has its limitations: it operates only at close range and has difficulty tracking sea-skimming missiles amid the radar "clutter" caused by waves. Even under manual operation, the *Stark*'s Phalanx system should have detected the incoming missiles, but the ship's only warning came just seconds before impact when a lookout spotted the first Exocet. To counter such problems, Israel is developing the Barak, an antimissile missile that is launched vertically into the air and then dives down to knock out a sea skimmer as far as several miles away; the U.S. has contributed \$10 million toward the project.

For all its weaponry, a relatively inexpensive frigate like the *Stark* is not made to fight on its own. With medium-range striking power and armor less than an inch thick (the plating on the battleship *New Jersey* is up to 17 inches thick), the *Stark* is an escort ship designed for what Naval Analyst Bruce Linder calls a

"low-threat environment" far less intense than what a naval battle group would encounter in wartime. The Navy is acquiring 50 of these *Perry*-class frigates, the largest class of U.S. combat ships built since 1945. Linder predicts that the ship "may quickly confront her operational support limits as she is integrated into naval operating forces."

The linchpin of the Navy's surface fleet is the high-priced (\$1 billion apiece) Aegis cruiser, which Defense Secretary Caspar Weinberger has called the "most advanced air-defense system in the world today." Named after the mythical shield of Zeus, Aegis cruisers like the *Ticonderoga* and *Yorktown* bristle with radars and weaponry capable of tracking and attacking 18 incoming missiles at a time. The Aegis radar is linked to a computerized fire-control system for the ship's antiaircraft

guns, depth charges and rocket-launched torpedoes. Just seven of these advanced vessels are in service, but another 21 are in sea trials or planned. Eventually, the Navy will assign at least one Aegis cruiser to each of its 15 carrier battle groups.

Still, not even the Aegis radar is omniscient enough to deal with every potential challenge from the array of modern missiles deployed against it. Soviet Backfire bombers, for instance, could attack a U.S. fleet with cruise missiles launched from more than 350 miles away. One answer being considered by the Navy is a throwback to the barrage balloons that hovered over U.S. ships in World War II: helium-filled blimps containing

enormous radars that could look down and track any intruder. The Navy has solicited bids for a \$200 million prototype. Naval strategists also emphasize the critical need for air defense. To former Navy Secretary Lehman, the architect of the carrier buildup, the *Stark* episode confirms "what I've been preaching for six years: that combat ships need air cover."

No matter how sophisticated the defenses of a surface ship, new weapons inevitably emerge to outsmart them. Even now, the U.S. is putting the finishing touches on a Stealth version of the Tomahawk ship-to-ship cruise missile. The shape of these weapons, their non-reflective surfaces and electronic jamming equipment will make them still more difficult for today's shipboard radar to detect and track. Yet even if the most modern warships cannot be made totally invulnerable, they remain an essential way for a nation to project its power.

—By Richard Hornik, Reported by Bruce van Voorst/Washington

But What Laws Were Broken?

In the face of damaging Iran-contra testimony, the White House shifts its strategy



When Ronald Reagan admitted two weeks ago that he had discussed contributions to the Nicaraguan *contras* with King Fahd of Saudi Arabia in 1985, news reports suggested that the President had knowingly contravened the Boland amendment. Or so it seemed to White House Aide Thomas Griscom, who marched into the office of Chief of Staff Howard Baker. Said Griscom: "At some point you've gotta say what?"

At the start of last week Baker did. Though Reagan claims that Fahd offered his *contra* contribution voluntarily, Baker asserted that the President would have been within his rights to ask for the money outright. "I've been absolutely astonished to hear people say that it was illegal for... the President to solicit funds for the *contras*," the chief of staff declared on NBC's *Meet the Press*. The Boland amendment, he said, "never mentioned the President."

Baker's remarks signaled a surprising new White House strategy in coping with what has emerged as a central question posed by Congress's hearings about the Iran-*contra* affair: Did Ronald Reagan violate U.S. law? Reagan and his aides have begun freely admitting that he was deeply involved in encouraging private support for the *contras* during the period when the Boland amendment barred "direct or indirect" U.S. aid. But they argued that the amendment simply

did not apply to the President—and if it had, it would have been unconstitutional.

Hints of such a defense had surfaced briefly in the past but were quickly submerged by the President's insistence that he had been only dimly aware of what his lieutenants had been doing to aid the *con-*



44 Abrams concurred in the solicitation... and said that he would give the signal
—JOHN SINGLAUB

tras. Once the congressional hearings started, however, that pretense could not be maintained. Witness after witness described what appeared to be clear violations of the Boland amendment and indicated that Reagan had been deeply involved in the efforts to help the *contras*. This new "Yes, but it wasn't illegal"

tack is part of a broader White House attempt to shift the focus of the Iran-*contra* drama. As long as Reagan and other top officials were pleading ignorance, each new disclosure about their ties to Oliver North's secret *contra*-supply network qualified as a front-page headline. Now

the Administration is stipulating that it did indeed support the *contra* cause but that this was well within the bounds of the shifting congressional restrictions that existed between 1983 and 1986. Thus the very real moral and political questions about a secret policy that was clearly designed to thwart the Boland amendment has temporarily given way to a trickier legal dispute: Exactly what did that amendment and other laws forbid, and to whom did they apply?

The Boland amendment went through several congressional rewrites (see chart). Originally it forbade any expenditures "for the purpose of overthrowing the government of Nicaragua." Then it placed a \$24 million limit on aid to "military or paramilitary operations in Nicaragua." The most restrictive version, in effect from October 1984

to December 1985, stated that "no funds available" to the CIA, the Defense Department or any "entity of the U.S. involved in intelligence activities" could be used "directly or indirectly" to support the *contras*.

The White House claims the amendment placed only one restriction on the

Boland: Honored in The Breach



DEC. 1982 to DEC. 1983

The law: no funds may be used by the "CIA or the Department of Defense" to support military activities for "overthrowing the Government of Nicaragua."

Activities: CIA and Pentagon initiate plan, "Operation Elephant Herd," to transfer equipment to *contras*. > CIA steps up covert activity in Nicaragua, mounting a series of bombing attacks. > CIA writes and distributes a "psychological operations" manual telling how to assassinate local Sandinista officials. > Network of former U.S. military personnel, coordinated by CIA, begins supplying *contras* with weapons from air base in El Salvador.

DEC. 1983 to OCT. 1984

The law: not more than \$24 million of the "funds available to the Central Intelligence Agency, the Department of Defense, and any other agency or entity of the United States involved in intelligence activities" may be spent to support military operations in Nicaragua.

Activities: Pentagon exempts \$12 million of "surplus" military equipment from the \$24 million cap. > Saudis begin sending *contras* \$1 million a month. > McFarlane authorizes North to plan private funding for the *contras*. > CIA mines Nicaragua's harbors. > CIA borrows planes from Pentagon and then loans them to *contras* at no cost. > After setbacks in Congress, Reagan instructs McFarlane to fund the *contras* "any way you can."

President: he could not use money available to those agencies to help the *contras*. Otherwise he was free to do pretty much anything he pleased—encourage private donations or contributions from other countries, for example. Any other reading of the amendment, Reagan supporters asserted, would unconstitutionally restrict the President's power to conduct foreign policy.

Lloyd Cutler, who was counsel to President Carter, argues that "normally a statute that mentions other executive agencies but not the President explicitly is interpreted as not applying to him." But critics protest that this would put the President above the law. Says Harvard Law Professor Laurence Tribe: "Congress's control over the purse would be rendered a nullity if the President's pocket could conceal a slush fund dedicated to purposes and projects prohibited by the laws of the U.S." Democratic Congressman Edward Boland observed that if Reagan wanted to claim exemption from the amendment, he should have done so when it was enacted. Instead, Boland noted, Reagan signed the bill without any public comment.

Did the Boland amendment apply to the National Security Council? The White House contends that the NSC does not fit the definition of an "entity engaged in intelligence activities." A secret opinion by the President's Intelligence Oversight Board took this approach in 1985. Former Watergate Prosecutor Philip Lacovara agrees that if Congress intended the amendment to apply to "other (than those persons connected with official intelligence agencies, it could and should have said so." But many experts agree with Tribe that NSC officials were clearly "acting as intelligence agents." Even Robert McFarlane testified that it was his "common-sense judgment" that

the law applied to the NSC, which he headed.

Did the law forbid Administration solicitation from other countries or private individuals of funds to buy arms for the *contras*? By specifying that "no funds available" could be used, the Boland amendment seemed to prohibit such a ruse. Assistant Secretary of State Langhorne Motley told Congress in 1985 that the Administration interpreted the law to prohibit "soliciting and/or encouraging other countries to contribute funds." He said, "We have refrained from doing that." In fact it was being done—without his knowledge, says Motley.

Private U.S. citizens who donated to



“Yes, we received funds from foreign sources. That was the only way to survive . . .”
—ADOLFO CALERO

the cause described how North and others would give a strong pep talk about the needs of the *contras* and then leave it to private fund raisers like Carl Channell to ask directly for donations. Republican Senator Warren Rudman described it as a "one-two punch." According to William O'Boyle, a New York City oil investor

who testified last week, he was told by North that as a Government employee he could not directly ask for donations. But Joseph Coors, a Colorado brewing-company executive, testified that in January 1986 North did personally ask him for \$65,000 to buy a plane for the *contras*.

Did the ban on "indirect" expenditures apply to funds used to pay the salaries of Government officials who helped the *contras*? During the debate over his amendment in 1984, Boland emphasized the point: "It clearly prohibits any expenditure, including those from accounts for salaries." If he is right, the disclosures that various Government employees—most notably North and Assistant Secretary of

State Elliott Abrams—spent time coordinating support for the *contras* would pretty clearly point to a violation of the law.

Independent Counsel Lawrence Walsh seems to be pursuing a strategy designed to get around the murkiness of the Boland amendment and the fact that it carries no criminal penalties. Besides seeking indictments charging such specific crimes as obstruction of justice, perjury and misuse of Government funds, Walsh may tie many defendants together in a broader conspiracy case, arguing that the individual overt acts were committed in pursuit of a larger scheme to evade the will of Congress. Engaging in such a conspiracy would be a felony punishable by five years in prison.

Despite disagreements over the Boland amendment's provisions, it seems clear enough that Congress intended to shut off for a period any kind of U.S. Government aid to the *contras*. Last week's testimony turned up new specific acts that show how the law was intentionally circumvented and probably violated outright by Government officials. Among the acts

► Robert Owen, at the time a private citi-

OCT. 1984 to DEC. 1985

The law: "no funds available" to the CIA, Defense Department or "any other agency or entity of the United States involved in intelligence activities" can be spent to support, "directly or indirectly, military or paramilitary operations in Nicaragua."

Activities: Reagan instructs aides to help *contras* "hold body and soul together."
► North and Secord begin full-scale "private" *contra* fund-raising and military-supply operation. ► Bush and his adviser Donald Gregg meet with Felix Rodriguez (alias Max Gomez), a former CIA agent, who later takes job as liaison to Secord's *contra*-supply operation at air base in El Salvador. ► Gregg and Rodriguez discuss problems of *contra*-supply operation. ► Reagan meets with King Fahd, and Saudi Arabia increases *contra* subsidy to \$2 million a month. ► Carl Channell, working in tandem with North, solicits private donations that are spent on *contra* arms. ► North, Reagan, Elliott Abrams and William Casey discuss *contra* contributions with private donors. ► North funnels private donations into Swiss bank accounts controlled by Secord and *contra* leaders. ► Interagency group including Abrams, North and a CIA official instructs Ambassador to Costa Rica Lewis Tambs to help *contras* open a southern front. ► Reagan calls Honduran President, persuading him to release blocked weapons shipment bound for *contras*.

DEC. 1985 to OCT. 1986

The law: same ban on military assistance, but "humanitarian aid, communications support, intelligence sharing" permitted.

Activities: Robert Owen assists in delivery of "lethal aid" to *contras*. ► Abrams agrees to assist Singlaub solicit funds from Taiwan and South Korea (later, Abrams tells him they would instead be solicited "at the highest level"). ► Sultan of Brunei deposits \$10 million to Swiss bank after account number is supplied by Abrams from North (number confused, and money goes to Swiss shipowner). ► North threatens cutoff of U.S. aid to Costa Rica when its President protests secret airstrip. ► CIA Deputy Director Robert Gates is told that profits from Iran arms sales diverted to the *contras*. ► North-Secord supply network ends with downing of Eugene Hasenfus' plane.

zen volunteering his services to North, made a trip to Costa Rica in 1985 to select a site for an airfield from which arms could be flown to the *contras*. He testified that he was met and shown around by a CIA agent who helped him choose the location. The CIA was barred at the time from such activities.

► In February 1986 Owen made two more trips to Costa Rica. Owen by then had a \$50,000 contract from the State Department to help in the delivery of "humanitarian" aid to the *contras*, which was permitted at the time. But he testified that on one trip he also helped deliver "lethal equipment" to the rebels, which was still banned.

Assistant Secretary of State Abrams is scheduled to testify June 2 and can expect tough grilling. Retired Army Major General John Singlaub testified that Abrams last March had "concurred in" his soliciting of *contra* contributions from two countries (Taiwan and South Korea) and had promised to send a "signal" that Singlaub had the Government's blessing. Later, said Singlaub, Abrams told him that solicitation of one country, apparently Taiwan, would be handled at the "highest level." Singlaub took that to mean "someone in the White House." Abrams disputes parts of this account.

The Boland amendment is far from the only statute that may have been violated by Government officials involved in the Iran-*contra* affair. Indeed, almost every day of the congressional hearings brings to light at least a hint of illegalities going beyond Boland. Some examples:

► In a March 1985 memo to Robert McFarlane, then National Security Adviser, North described proposed deliveries of \$8 million worth of weapons and ammunition to a Central American country, known to be Guatemala. He enclosed



Using traveler's checks provided by Calero, North spent money at such places as Giant Food, Drug Fair, Parklane Hosiery, National Tire Wholesalers, Sugarland Texaco and the Mandalay Four Sea

Assistant Secretary of State Elliott Abrams first agreed to help Singlaub solicit funds from Taiwan and Korea, then changed plans, saying it would be done "at the highest level"

"end-user certificates" attesting that the weapons would be used in that country. Actually, the memo made clear, "all shipments will be... turned over to" the *contras*. This plan seems to violate the Arms Export Control Act.

► North told Congress last June, under oath, that he barely knew Owen. In fact, as Owen's testimony to the congressional Iran-*contra* investigations establishes, the two had been working together closely for two years. At the end of his testimony, Owen read a paean canonizing his mentor. Sample line: "...at crude altars in the jungle, candles burn for you."

► *Contra* Leader Adolfo Calero testified that he gave North \$90,000 in traveler's checks in 1985, supposedly to assist in the rescue of U.S. hostages held in Lebanon. Investigators, however, disclosed last week that North had cashed \$2,000 worth

and spent some in stores near his home. He bought, among other things, two snow tires for \$100. Senator Rudman, using sarcasm to make the point that the money was not spent for any public purpose, asked Calero "when was the last time it snowed in Nicaragua." The *contra* leader allowed that it does not snow in Nicaragua. It would be a crime for North to accept compensation from a non-Government source.

This week the congressional committee will hear from Albert Hakim, an Iranian-born businessman who worked on both the Iran arms deal and the *contra*-arms network. Meanwhile, David Kimche, a former official of the Israeli Foreign Ministry who has been identified as the originator of a plan to sell U.S.-made weapons to Iran, successfully resisted an attempt by Walsh to compel him to testify before a grand jury.

But the question regarding the President's duties under the law is sure to remain the major focus. Underlying the dispute

over Boland's technicalities is a far more sweeping provision. Article I of the Constitution obliges the President to "take care that the laws be faithfully executed." At the very least, that would seem to have required Reagan to launch a careful study of what was forbidden by Congress under the Boland amendment and to insist that his aides abide by the results. So far there is no evidence that any such review was ever undertaken.

Legally, that failure is probably not punishable. But the moral point remains. The Boland amendment may be foolish or even disastrous policy. Nonetheless, for all the ambiguities of its changing versions, it is the law, and the Constitution gives the President no latitude to choose which laws he will honor.

—By George J. Church, Reported by Hays Gorey and Barrett Seaman/Washington

The Roosevelt Precedent

The forces of democracy were in mortal peril and Congress was intransigent, so a courageous President bent the law in the cause of freedom, Ronald Reagan and the *contras*? No, it was Franklin Roosevelt's decision to provide Britain with 50 overage destroyers during the desperate summer of 1940. The destroyer deal helped discourage Hitler from invading England; small wonder that Reagan's defenders now cite it as a precedent to justify secret efforts to skirt the Boland amendment.

There are, to be sure, some parallels. F.D.R. was hamstringing by a congressional ban on gifts of military equipment to foreign nations. But Roosevelt put together the destroyer deal with an open-

ness totally at odds with the actions of Oliver North and Richard Secord. The plan was debated in a full Cabinet meeting. Even though he was in the midst of a hard-fought re-election campaign, Roosevelt felt compelled to consult Wendell Willkie, his G.O.P. rival. In cooperation with Winston Churchill, the Administration constructed a legal loophole: trading the destroyers for military bases in Newfoundland, Bermuda and the West Indies. While the matter was still being debated, a legal brief supporting the President's position was published in the New York Times. Roosevelt also wrote a personal letter justifying the swap to Senator David Walsh, the leading congressional foe of aid to Britain. In the letter F.D.R. cited a questionable historical analogy of his own: Thomas Jefferson's bold action in negotiating the Louisiana Purchase without consulting Congress.



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Must Reading

The ultimate viewer's guide

Senate Select Committee Chairman Daniel Inouye has one. So does Independent Counsel Lawrence Walsh. So, too, does just about every journalist, congressional staffer and attorney investigating the labyrinthine intricacies of the Iran-contras scandal. Known simply as the *Chron*, the 678-page paperback (Warner Books; \$5.95) has become the ultimate viewer's guide to the hearings.

Subtitled *The Documented Day-by-Day Account of the Secret Military Assistance to Iran and the Contras*, *The Chronology* is the maiden effort of the National Security Archive, a nonprofit institute opened in October by former Washington Post Reporter Scott Armstrong. Using the Freedom of Information Act to obtain Government documents, the group acts as a clearinghouse for journalists and scholars researching issues from nuclear strategy to Central America.

Now operating with 30 staffers and a \$1 million budget (mainly raised from foundations), the Archive started as a storage space for Armstrong, dubbed the "Great Accumulator" by his former colleague and co-author Bob Woodward (*The Brethren*). Armstrong, 41, who worked for the Senate Watergate Committee before joining the *Post*, began collecting documents by the carload in 1982 for a book about U.S. foreign policy. When his *Post* computer showed signs of overload, Armstrong created a place where Government documents like his could be stored and shared: a kind of national-security Nexus.

The Chronology began as a diversion, when various congressional committees asked Armstrong to gather documents about the *contras*. The group's research, along with news accounts, congressional investigations and the Tower commission report, were incorporated into a blow-by-blow narrative. The Archive's aggressive use of the Freedom of Information Act already has the Administration on guard. Now, when Justice Department employees get a request from Armstrong, they are instructed to call a special agency phone number before supplying details. ■



The Accumulator: Armstrong with documents



Cuban officials rounding up invading exiles after the Bay of Pigs debacle

New Look at an Old Failure

An ex-CIA historian fights to air his version of the Bay of Pigs

As the nation picks through the wreckage of the Iran-contras affair for lessons, a dispute is brewing within the intelligence community that could throw new light on the granddaddy of all covert-action fiascos: the Bay of Pigs. The CIA's former chief historian, Jack Pfeiffer, is suing to force the release of his detailed and still classified studies on the invasion, which challenge the conventional historical wisdom about why it failed.

Previous historians have tended to place most of the blame on the CIA's deputy director for planning, Richard Bissell. His penchant for secrecy, they say, led him to keep the agency's intelligence division and other military analysts pretty much in the dark, thus resulting in a poor assessment of the risks involved. Indeed, a still secret case study prepared for the Tower commission, one of a series that sought to compare previous covert activities with the Iran-contras affair, also attributes the Bay of Pigs failure to excessive secrecy of CIA planners and lack of adequate review by intelligence experts.

In fact, Pfeiffer argues, a series of meetings and memos shows that senior officials of the CIA's intelligence division and Pentagon planners were briefed at all stages of the discussion. According to Pfeiffer, the conventional view casting Bissell as the villain of the tale is reflected in a damning report by the CIA's inspector general at the time, Lyman Kirkpatrick. Although Kirkpatrick, 70, who resigned from the CIA in 1965, ordered the destruction of all the records on which his report was based, Pfeiffer managed to uncover the material. He says it led him to conclude that Kirkpatrick had deliberately skewed the report to discredit Bissell, who was his rival for the position of CIA director.

Kirkpatrick defends his original assessment. "Bissell was running it [with a group] that was cut off from everyone who



Historian Pfeiffer

should have assessed the plan." Denying that his conclusions were based on personal rivalry, Kirkpatrick argues, "Bissell and I were friends." Bissell, 77, who was eased out of the agency in 1962 and until now has never publicly defended his role, comments dryly, "That's not the case."

In his view, and that of Historian Pfeiffer, the reason that the Bay of Pigs failed was not because the machinery of Government was short-circuited. Rather, it was a case in which the entire system worked the way it was supposed to—and produced a fiasco.

The newly elected President, John Kennedy, was adamant about not involving American forces. Indeed, he insisted on hiding any evidence of American support for the exile army. For that reason the White House decided to cancel crucial air strikes and change the site of the landing from the town of Trinidad, at the foot of the central mountains, to the quieter venue of the Bay of Pigs. It was these decisions, Pfeiffer argues, rather than a faulty process of consultations, that doomed the operation from the start.

The Navy was ready in case Kennedy decided to lift his ban on direct U.S. involvement, Bissell revealed in his interview with *TIME*. As the Cuban exiles went ashore that moonless night in April 1961, a force of about 1,500 Marines waited on a ship near the coast. Admiral Arleigh Burke, Chief of Naval Operations at the time, confirms this previously unreported deployment. The Marines were "available," says Burke, not 85. "These things are just a general military precaution."

After 25 years, Pfeiffer thinks it is time for his own studies of the fiasco to be made public. "Kirkpatrick's order to destroy the documents was outrageous," he commented last week. "What's to say the CIA's records on the Iran-contras matter won't disappear the same way?"

—By Jay Paterzelli/Washington

The Presidency/Hugh Sidey

The Culture of Criticism

Former President Jerry Ford phoned from California to say how distressed he was that 26 members of Congress were locked into the Iran-*contra* diatribe, rancorously elbowing one another for television time, while the ailing American economy went unnoticed and untended.

Bob Strauss, former head of the Democratic National Committee, was the guest last week for the 2,000th Sperling Breakfast, a capital institution of high cholesterol and high-powered talk. He sat down, eyed his journalistic adversaries and said, "You're being a little harsh, more than a little harsh, on the presidential candidates. They've been described as midgets, pygmies and nobodies. That is not right."

Though he has made a lot of money defending wayward Government employees from Richard Nixon on down, Attorney Leonard Garment, currently counsel for Robert McFarlane, passionately denounced those in official Washington who "make a career of grabbing the headlines via the mechanism of witnessing under the klieg lights."

James Schlesinger, who used to head the CIA and after that was Secretary of Defense, lamented the marked "decline of decorum" this spring, everybody shouting at everybody else. "Television lives on division rather than interpretation," offered Lloyd Cutler, a constitutional scholar and White House counsel for Jimmy Carter. Ever since his experience around the Oval Office, Cutler has worried about TV's distortion of the Government process. It has grown, not diminished.

Ronald Reagan moves these days with the look of a hunted man, expecting and getting questions from the front and flanks on the Iran mess. Other business, like trade, is often pushed into the shadows.

Criticism, muckraking and its attendant skepticism have always been big business in Washington, a necessary part of a healthy democracy. The worry expressed above is that criticism is becoming the only business in Washington. Are we institutionalizing despair? The failings of humans who try to run this republic are legion, including those of not only Reagan but now Gary Hart, who wanted Reagan's job. And this week we can add a lot of names from the Navy, caught up in the tragedy of the *Stark*. Nothing seems immune. When Supreme Court Justice Thurgood Marshall knocked the sacred 200-year-old U.S. Constitution, the argument took on a life of its own and still echoes through the city.

A good number of the people concerned about the events of this spring have speculated that the more virulent environment may have been created by television's appetite for confrontation. "Television discovered the value of conflict and controversy," Howard Baker, White House chief of staff, told the venerable Scotty Reston of the *New York Times*.

New York's Senator Pat Moynihan raised hackles a while back by suggesting that the hostility between Government and the media was becoming a culture that could threaten the democratic process, which in the end needs as much understanding and cooperation as criticism. "Each branch of Government is so big and overstaffed it is almost impossible to sit down quietly with one another," declared Cutler. "Someone gets on television by making a sharp attack. This is more a system of shared powers than a lot of people are willing to admit. We've got to learn to get together."

Eighty-one years ago, when he laid the cornerstone of the Cannon House Office Building, Theodore Roosevelt, who knew a thing or two about corruption in Government, told his audience, "Men with the muckrakes are often indispensable to the well-being of society, but only if they know when to stop raking the muck."



Stoning under the klieg lights, and living on division

Just Teasing

Mario makes them nervous



New York Governor Mario Cuomo announced last February that he was not running for President, and he insists, time and again, that he has not changed his mind. Yet in the aftermath of Gary Hart's withdrawal from the field of Democratic candidates, Cuomo is registering as much as 32% support in the polls, while the only other Democrat on the horizon is Jesse Jackson. Cuomo has pooh-poohed this, saying the polls will change when the public gets to know the other candidates. Last week, however, Cuomo's words and actions had politicians wondering whether he was following a subtle strategy of running for President by not running.

Last Monday the Governor received an honorary degree at Grinnell College in Iowa, the state where the first presidential caucuses will be held next February. At a press conference afterward, Cuomo told reporters that his candidacy was a "fantasy." "Listen to me," he said. "Don't listen to the polls." Yet the non-candidate was less than categorical: he would not rule out the possibility of entering a primary.

A day later reports surfaced that Vincent Tese, a wealthy Chicago supporter who has become Cuomo's director of economic development, was soliciting money for a Cuomo campaign. Actually, Tese was calling business leaders to meet with Cuomo about the Governor's proposed bipartisan committee to develop policies on such issues as the trade imbalance and Third World debt. Cuomo responded to the reports with jokes and denials. "If I wanted campaign money," he said, "I wouldn't have to send Vincent Tese out. I would go to Vincent Tese."

Democratic Media Consultant Robert Squier notes that Cuomo is conducting the perfect strategy for entering the race later: keeping his options open in the event of a deadlocked convention, or not running but holding on to his power in the party. The other candidates affect unconcern, saying they take Cuomo at his word. But privately they are uneasy. Says Democratic Pollster Harrison Hickman: "What worries the others is that Cuomo is the one guy who can run his own way without following the normal rules. They recognize that he is different from anyone else."

Cuomo, who relishes teasing reporters, may just be having a good time. After he insisted that he was not being "coy or cute," a reporter asked him again about whether he would enter any late primaries. "What do you want me to do," asked Cuomo in mock exasperation, "throw myself on the pyre of anonymity?"



Cuomo

Child's Play

Violent videos lure the young

The film *Alien Prey* features a blood-stained vampire who feasts on a dead woman's entrails through a hole in her stomach. *Make Them Die Slowly* proudly proclaims 24 SCENES OF BARBARIC TORTURE, including a scene in which a man slices a woman in half. *Flesh Feast* reveals "body maggots" that consume live human beings, pulling the skin off their faces before working their way down.

Every day, all across the country, children under the age of 17 walk into their neighborhood video stores and rent movies that they would not be able to see in a theater. Sometimes the youthful customers are content with somewhat less grisly fare, like the immensely successful *Friday* the 13th series. The ease with which minors can rent and watch such nightmarish visions has alarmed parent organizations around the country. These groups contend that while sexually provocative movies usually carry at least an R rating, "slasher" films containing explicit violence are often unrated and available to youngsters.

Most of these groups urge restrictions that would prevent shops from renting excessively violent films to minors. Some also advocate a new Motion Picture Association of America rating for violent films, as well as regulations requiring

stores to display the ratings that have already been given to videocassettes. Jenny Pomeroy, president of the Junior League of Bronxville, N.Y., which has mounted a campaign against these films, advocates an R-V rating for violence, similar to the PG-13 designation advising parents that a film may contain material inappropriate for children under 13.

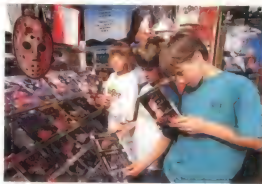
Tennessee and Maryland already require video stores to display M.P.A.A. ratings, while New York, New Jersey and

films shown in theaters can get around the system. If the M.P.A.A. decides that a film deserves an X, the producer can elect to release his film unrated. In the case of other films, additional scenes of bloody gore are inserted after they have been shown in theaters but before they are put out on videocassette.

Yet many store owners argue that they do everything they can to keep young customers from renting violent videos. Some keep offensive titles in a separate room, while others insist that parents specify on membership cards which films their children are allowed to take home. "It's really the parents' job to police what their kids watch," says Mark Hooper, video manager of a Sound Warehouse outlet in Memphis. "About all we can do is not stock titles that we know are going to cause trouble."

One possible compromise is being studied by Massachusetts State Representative Barbara Gray. After proposing a flat prohibition against the sale or rental of all films without ratings, she discovered that some very popular productions, like *Jane Fonda's*

Workout, do not have ratings. Now Gray is considering submitting a bill modeled on ordinances that keep porn magazines out of the reach of children by putting the magazines out of sight or on higher shelves. Then, she says, the "children would have to ask for the films, and the merchants would be able to refuse them."



Children perusing "slasher" videos in Eastchester, N.Y.

Massachusetts are considering similar laws. The M.P.A.A., however, strongly resists the creation of a separate R-V code. The association contends that it already considers a film's violence in its rating. The M.P.A.A. usually evaluates only those films that are released in theaters, not those that are made exclusively for videocassette. Nevertheless, producers of

Not in My Town

No one wants a paroled rapist

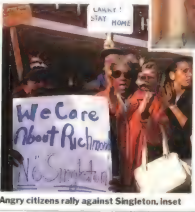
Though he has paid his legal debt to society, Lawrence Singleton spends his days in a vortex of unmade restitution. A convicted rapist who hacked off the forearms of his 15-year-old hitchhiker victim, Singleton, 59, was paroled from a California jail last month after serving nearly eight years of a 14-year four-month sentence. But Singleton, a model prisoner who maintains his innocence, immediately found himself to be a pariah, staying in a string of motels as authorities tried in vain in California, Florida and Nevada to find a welcoming town.

The state department of corrections announced last week that it had finally found a home for Singleton. His new address: Richmond (pop. 78,000), a blue collar Contra Costa suburb of San Francisco. State officials were unclear about whether Singleton would stay permanently in the area, but his neighbors certainly acted as if he was there for good. Some 200 protesters rallied at Richmond's city hall, chanting "He must go!" and listening to local politicians denounce Singleton. Said Mayor George Livingston: "My suggestion would be to put him on the barge where

that garbage is and let him float away from here," referring to the hapless Long Island vessel that has been searching for a dump site up and down the Atlantic and Gulf coasts.

But for now it appears as if Richmond is going to have to live with Singleton, and vice versa. The California Supreme Court last week turned down the county's appeal to override the corrections department and place Singleton elsewhere.

Authorities sympathize with the public's anger; yet



Angry citizens rally against Singleton, inset

contend that they have little choice. According to state policy, parolees are frequently housed in the county where they lived before they were convicted and in Singleton's case that is Contra Costa. "When we make a decision to place someone, we make it on the department's experience and on legal grounds, not on emotion," explains Department Spokesman Robert Gore. Says Jerome Skolnick, a professor at the law school of the University of California, Berkeley: "If [communities] could reject notorious felons, no one would want them and where would they go?"

Only a handful of California's more than 58,000 parolees between 1984 and 1986 were controversial enough to be placed in counties other than their own. Gore said Singleton would be moved "if the need arises," a condition to be determined by Singleton's parole agents, who guard him around the clock. Meanwhile, local officials are trying a last-ditch legal maneuver to send him packing. Says County Supervisor Tom Powers: "My wife and I were out walking the other night, and she points to some guy and says, 'Doesn't that person look like Singleton?'" A retired merchant seaman, Singleton could not be blamed if he felt he was on a never-ending voyage. ■



**"I'M AN EASY GUY TO SATISFY.
I ONLY WANT THE BEST."**

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There's room for three adults inside Sierra's handsomely appointed interior, and even more shoulder and leg room than previous full-size pickups from GMC Truck. And Sierra's advanced aerodynamics help enhance its quiet, comfortable ride.

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Sierra features a new independent torsion bar front suspension on 4 x 4 models, and a newly improved two-wheel-drive front suspension. And there's a new standard rear-wheel anti-lock brake system (operable only in the two-wheel-drive mode on four-wheel-drive models). The Insta-Trac system on four-wheel-drive models allows convenient shifting from two-wheel to four-wheel drive without stopping. When you take the wheel of the new Sierra, you'll be driving a full-size pickup with handling as advanced as its looks.

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GMC TRUCK
**IT'S NOT JUST A TRUCK
ANYMORE.**

American Notes



The brothers Ridley, Sam and Knox



El Segundo students take a test run



Wife Jeanne adjusts Paul's trademark

FITNESS

Soviet-Style Exercise

Are American youngsters as physically fit as their Soviet counterparts? No, says the President's Council on Physical Fitness and Sports. To prove it, the council has arranged for 20,000 Americans to take a fitness test given yearly in Soviet schools; in exchange, the U.S.S.R. Committee on Physical Culture and Sport will try the council's test on an equal number of Soviet youth. The experiment started earlier this month in El Segundo, Calif., where 250 students ages seven to 17 sweated through the Soviet test.

Fitness Council Chairman George Allen expects that Americans will look bad compared with Soviet students, who exercise an hour daily. He hopes the test will spur the U.S. into putting physical education "back in the school systems, an hour a day, five days a week, kindergarten through twelfth."

his city credit card to visit a daughter in Texas, vacation in Florida and attend the Southern Baptist Convention, claiming that as mayor he was on duty 24 hours a day. He and his brother Knox, a former judge, owned Smyrna's Chevrolet dealership, which serviced cars for the city. A conflict-of-interest suit filed against Sam dragged on for seven years, through two of his re-elections. Then, facing an impending decree from a judge that he leave office, the mayor abruptly resigned this month.

But Smyrna's dynasty survives. The five-member town commission took all of ten minutes to name Brother Knox to fill out the remaining 2½ years of Sam's term. Said Knox: "Sam will be my right arm." Municipal policies will remain unchanged, and voters may not even notice that a new man is in charge: born 20 minutes apart 67 years ago, now with the same type eyeglasses and portly build, Sam and Knox are identical twins.

ceremony for preschool children enrolled in a Government Head Start program. About 8 p.m., some heard a whistling sound. "Someone yelled a tornado was coming, and parents started grabbing their kids from the stage," recalls Elodia Garcia, 26. A number shoved their children under tables and benches.

For many, it was already too late. The twister demolished not only the community hall but virtually every other building in Saragosa. At least 28 people were killed and more than 100 injured. In the predawn darkness Saturday, rescuers were still digging away at the wreckage of homes illuminated only by the lamps on the workers' mining helmets. Bodies were laid out in a school bus converted into a makeshift morgue. Said Reeves County Jailor Janie Rodriguez: "The town is completely gone."

CAMPAIGNS

The Candidate Is No Rock Star

When Senator Paul Simon of Illinois declared his candidacy for the 1988 Democratic presidential nomination last week, he became, at 58, the oldest of his party's seven contenders. As the author of eleven books, he is probably one of the most literate candidates. And as a fancier of bow ties, horn-rimmed glasses and what he

calls the Democratic tradition of caring and daring and dreaming, he may be among the most unfashionable.

If so, Simon plans to stay that way. "Harry Truman wore a bow tie and horn-rimmed glasses," he told followers at Southern Illinois University, "and he didn't knuckle under to pressure to change his views as he fought for working and retired Americans." In one recent poll, Simon, first choice of 6% of Democrats, ranked third among the contenders.

ESPIONAGE

Marines Drop Another Case

The Pentagon last week continued its retreat from charges that three U.S. Marine guards swapped secrets for sex in the Soviet Union. Deciding that a two-year statute of limitation prevents it from prosecuting Sergeant John J. Weirick for allegedly allowing Soviet spies into the Leningrad consulate sometime in 1981-82, the Marine Corps released Weirick, 26, from the Camp Pendleton, Calif., brig.

A week earlier, the corps dropped the charge that Sergeant Clayton Lonetree had guided KGB agents through the Moscow embassy. Lonetree, 25, is still charged with espionage for allegedly telling the KGB the identities of U.S. intelligence agents at the embassy.

TENNESSEE

A New Face in City Hall

After 39 years as mayor of Smyrna, Tenn. (pop. 12,000), John Sam Ridley could hardly separate his personal business from the town's. He used

TORNADOES

Saragosa Is No More

More than half of the 180 residents of Saragosa, a tiny farm town in West Texas, were in the community hall Friday night attending a graduation

BRITAIN

Off and Running

Doom, boom or merely gloom, the candidates unveil their themes

Is Britain depressed and divided? Is it buoyantly forging ahead? Or is it simply muddling through? As the country launched into a 24-day parliamentary election campaign last week, the portraits that political leaders painted of their country were starkly different—and the conflicting images at once turned into political battle flags. To the strains of Brahms' *Fourth Symphony* in London's Queen Elizabeth Conference Center, Neil Kinnock, the leader of the opposition Labor Party, strode onto the podium to describe a joyless, divided Britain, an "economically and socially disabled" country afflicted with Dickensian misery. Two hours later, at Conservative Party headquarters near Westminster Abbey, Prime Minister Margaret Thatcher, at the helm for the past eight years, evoked a very dif-

ferent nation, one with "revived spirit and restored reputation," a land that could boast of being Western Europe's "fastest-growing economy." The previous day, Britain's third political force, the Social Democratic-Liberal Party Alliance, had outlined a more subdued picture, acknowledging Thatcher's economic achievements but judging their social and human costs to be intolerable. Their program, said S.D.P. Leader David Owen, was the "achievable dream."

Thatcher, 61, had chosen June 11 as polling day to ride an evident swelling of Conservative Party strength. When she made the decision to take the country to the ballot box 13 months before the end of her five-year term, her party held a 13% lead over Labor in the polls. By the time the campaign got under way last week, the

margin had shrunk, with polls showing the Conservatives at around 42% to Labor's 33%. The Alliance hovered at 25%.

Despite her lead, Thatcher is vulnerable, especially at a time when the British electorate has turned volatile and unpredictable. That condition has been linked by a Leeds University research center to the growing role of television in election campaigns. Moreover, Britons seem less inclined to follow a traditional pattern of voting along class lines, and they now have three rather than two major parties from which to choose. Perhaps not surprisingly, opinion polls show Thatcher to be both the most respected and the least liked of the main party leaders. While supporters regard the Prime Minister with something approaching awe, opponents like to caricature her as a hectoring

STEVE GRISMAN



nanny or, worse, a leader insensitive to the needs of the poor and the unemployed. At 10.9%, or 3 million people, the number of jobless, for example, is up dramatically from the 4.3%, or 1.1 million, when Thatcher took over in 1979. Labor Leader Kinnock calls the unemployment situation a "lead weight of misery dragging down the British economy." Thatcher's attitude, he said last week, would lead Britain to have "beggars in the street and young boys on the run in the city, to people dying for lack of warmth in their own homes." The Church of England and even some patrician Tory leaders have become persistent critics of Thatcher's social policies, particularly in education and health care.

Flanked by ten Cabinet ministers, Thatcher presented the Tories' 77-page program during her appearance at party headquarters. She regards the manifesto not only as the answer to her critics but also as the next phase of what she considers her unfinished revolution. In that revolution, she sees the welfare-state mentality overtaken by a renewed sense of competition and the labor unions that once challenged government authority shorn of their excessive power. Said Thatcher: "If anyone hoped to attack the Conservative Party for running out of ideas after two periods of office, this manifesto puts paid to that."

The Prime Minister described her program as containing "real, radical policies for the next Parliament," with the key theme "power to the people." Said

she: "We intend to spread ownership of homes, shares and pensions even more widely. We shall continue to sell industries back to the people. We want to extend greater choice in services like housing and education."

As for attacks on her as being heartless and insensitive to the ills of society, she declared the next day that "all decent people care about the sick, the unfortunate and the old. It is false and wicked to suggest otherwise." The choice, she said, is between those who complained and wrung their hands but failed to create the resources to help, and her own Tories, whose economic accomplishments provided the means for effective welfare.

Appealing to the pocketbook vote, the Tories underlined their achievements in a slick 26-page electoral pamphlet and in a flood of positive statistics. Among the gains: two-thirds of Britons own their homes today, up from 50% when Thatcher assumed office. Car ownership has risen from 54% to 66%. The number of Britons who are stockholders has almost tripled, from 7% to 20%, and the number of those who consider themselves to belong to the middle class has increased from 30% of the population to roughly 50% over the past eight years. Inflation has been cut from 18% to 4%. The Thatcher government has privatized state enterprises valued at nearly \$30 billion.

Kinnock, 44, trim and combative and

sporting in his lapel a red rose—the Labor Party's new symbol—was ebullient as he launched his campaign. It was notably different from the one that led to Labor's humiliating defeat in 1983 under his predecessor, Michael Foot. The Labor manifesto, titled *Britain Will Win*, ran a trim 17 pages, in contrast to 40 for the 1983 catalog of promises.

Gone were pledges to abolish the House of Lords, to nationalize huge segments of industry and to control private banking policy. Labor's highest priority this time: reduce unemployment by 1 million within two years, at a cost of \$10 billion, mainly through public works programs. Kinnock also stood by his party's unilateral nuclear-disarmament position—even though it remains an electoral liability. The Tories charged that Labor "would abandon the defense policy followed by every British government, Labor or Conservative, since World War II." Said Social Democratic Leader Owen: "On defense, Labor remains a menace to its allies and the answer to the Russians' prayer."

Within two hours of presenting his party's manifesto, Kinnock embarked on a four-day campaign swing through the depressed Northwest, trying to wrest marginal seats from the Conservatives. In attacking the credibility of the Thatcher government, he challenged the Prime Minister's claim that industrial productivity had improved under her administration. "If what the government has done is increase productivity," said Kinnock, "then having a leg cut off is losing weight."

The challenge by the Alliance makes the election outcome particularly unpredictable. Barely organized and little more than an experiment four years ago, the coalition still pulled in 8 million votes, 25% of the total cast and only 2% less than the Labor Party's popular tally. But because of Britain's winner-take-all electoral system, the Alliance won only 23 seats, against 397 for the Tories and 209 for Labor.

Yet even small shifts in a few key districts could produce significant changes. As the Alliance puts it in the introduction to its manifesto: "If just five more people in every 100 support us, we would have over 70 seats and almost certainly the balance of power [in Parliament]." Robert Worcester, chairman of the MORI polling organization, believes "only two people in 100 in key marginal seats have to change their vote to the Alliance from the Conservatives to produce a hung Parliament."

Owen and Liberal Party Leader David Steel jumped the gun on the campaign by 24 hours because they feared their joint program would be lost in the hoopla over the manifestos of the two larger parties. Not surprisingly, the Alliance called for constitutional reform that would introduce proportional representation and thus provide for a more equitable distribu-

"In which no single party wins an absolute majority in the House of Commons."



As the race begins, major contenders present vastly different visions of their country: Prime Minister Margaret Thatcher, in Perth to launch her campaign, sees a land with "revived spirit and restored reputation"; Alliance Leaders David Owen and David Steel, with one of their "battle buses," fear the price of that revival is too high; Labor's Neil Kinnock, opening his election drive in London, warns of a country afflicted with Dickensian misery



World

tion of parliamentary seats. The Alliance also proposes more public spending than the Tories, but less than Labor. Like Labor, however, the coalition has been vulnerable on the issue of defense ever since a split last year between the Social Democrats and the Liberals over maintaining Britain's independent nuclear deterrent. Steel, whose Liberals wanted to scrap the missiles, has since agreed to a compromise with Owen favoring the maintenance of a minimum nuclear deterrent until atomic weaponry could be negotiated away as part of a global arms-reduction process. While the bigger parties were announcing their manifestoes, the

two Davids boarded separate gold-colored "battle buses" outfitted with sophisticated communications equipment and emblazoned in foot-high letters with the slogan **THE TIME HAS COME**. Owen noted with pleasure that "people want us to do well even if they aren't going to vote for us." At a rally in Cardiff, he declared, "Labor is unelectable, but that cannot mean that the Conservatives are irreplaceable." Traveling back from Cambridge on his bus, Steel said, "Whatever the Tory and Labor parties say now, if there is a hung Parliament, I have no doubt that they would talk to us about a shared government."

Thatcher dismisses such a possibility. She expects to spend four or five hours each campaign day in a blue-painted, high-tech campaign bus, in effect a traveling Prime Minister's office, that is inscribed on all four sides with the words **MOVING FORWARD WITH MAGGIE**. During a brief campaign excursion last week to London's renovated docklands area, Thatcher, professing herself delighted with her lavishly equipped vehicle, climbed into the driver's seat. That, politically speaking, is, of course, where she intends to stay.

*By Frederick Painter,
Reported by Frank Melville/Cambridge and
Christopher Ogden/London*



Virtually assured of a seat in the new Commons: Bernie Grant

"Our Time Has Come"

Whether or not the Conservatives remain in power, Britain's new Parliament will almost surely be different in one significant respect: color. Although about 4% of the country's 56 million people are nonwhite—mostly of Asian or Afro-Caribbean origin—there have been no nonwhite members in the House of Commons in 58 years. Three Asians served briefly between 1892 and 1929, but no black has ever taken a seat. This time three nonwhite candidates, all running on the Labor Party ticket, are expected to be among the 650 members of the new Commons. Says Marc Wadsworth, a black television journalist who is not a candidate: "Our time has come."

Political momentum appears to be on the side of further change: last year more than 140 nonwhite candidates were elected to local councils in Greater London. In the current campaign for Parliament, the Tories, the Labor Party and the Social Democratic-Liberal Party Alliance are fielding a total of 27 nonwhite candidates. Virtually assured of winning are Lawyer Paul Boateng, who was born in Ghana; local Council Leader Bernie Grant, a Guyanese; and former local Councillor Diane Abbott, who was born in London of West Indian parents. All are Labor candidates in London constituencies with substantial Labor majorities. More than 30% of the districts' voters are nonwhite.

Future gains, however, may not come easily, in part because of Labor's poor showing in opinion polls. As the political home for most Asian and black voters, the party has long championed racial equality. But its leaders are fearful of a white backlash if Labor appears to support too many black candidates, some of whom are outspoken radicals associated with the party's "loony left." Racism also poses a formidable electoral hurdle. "In the U.S., at least it is never questioned

that blacks are Americans," says Boateng. "The tragedy is that however long you are here, even if you were born here, you can never be British."

Abbott, 33, a Cambridge history graduate and now a press officer for the local council in Lambeth, says her politics was influenced by U.S. civil rights activists. "People like me in their 30s had our ideas shaped by Angela Davis and the black-power movement," she says. Grant, who heads the local council in Haringey, has been unflatteringly labeled Barmy Bernie by conservative tabloids. It was he who declared that police had been given a "bloody good hiding" after a 1985 race riot in Tottenham during which a patrolman was hacked to death. Grant has since kept a relatively low profile.

More militant blacks have meanwhile seized public attention with calls for affirmative action at the highest levels of the Labor Party. Journalist Wadsworth, for example, is chairman of the four-year-old Black Sections National Committee, which demands that nonwhites be named to all of Labor's decision-making groups. Party Leader Neil Kinnock, eager to soften Labor's radical image, is in no mood to bow to such demands. Nonetheless, Black Sections leaders have turned up the heat. At their fourth annual conference last March in Nottingham—from which white journalists were banned—delegates called for the repeal of Britain's immigration controls. They also drafted a statement describing the police as a "force of intimidation" in local housing projects and demanding an "end to their dubious presence in the schools."

At a subsequent rally in Birmingham, Sharon Atkin, a black Labor candidate, told a packed hall, "I don't give a damn about Kinnock and a racist Labor Party." That was too much for Kinnock, who removed Atkin as a candidate and replaced her with another nominee, Mohammad Aslam, who is Pakistani. Said Kinnock: "We will not advance the cause of black people in this country if candidates can call our party racist and simply get away with it."



Diane Abbott

Britain's minorities could certainly use a voice of their own. Racial attacks, particularly against Asians, are a continuing problem, and unemployment among blacks is running at more than 20%, double the rate for whites. Yet the notion of being cast as a leading black spokesperson leaves Abbott, for one, feeling somewhat overwhelmed. "Black voters," she says, "will expect a new heaven and earth—expectations we cannot begin to fulfill."

*By Lloyd Garrison,
Reported by Helen Gibson/London*

Clean off the mud,
take off the numbers and special lights
and the cars that won
One Lap of America
and the African Safari Rally
look a lot like this.



We got very dirty. No wonder.

One Lap of America is the longest event on the Rally circuit. Its course roughly traces the perimeter of the United States. The contest requires 7,983 miles be covered in 216 hours. As a test of stamina for a car and its driving team, it's no slouch. Particularly in the new Performance Touring Class. In addition to the standard course, these cars and drivers run two laps at six race tracks at top speed just to break the monotony. Endurance is important but, here power counts, too.

Once again, as in 1985, John Buffum came in first in an Audi 5000CS Turbo Quattro.

The African Safari is another story. It's considered to be the hardest International Rally of all. The course transverse some exasperating parts of Kenya. The roads, weather, mud and herds of things seem to conspire to, simply, break cars. It's an event so punishing that many carmakers choose to dodge it rather than risk defeat. This year of the 53 cars entered, 23 finished. Of those 23, an Audi Quattro driven by Hannu

Mikkola was first. And another Audi Quattro driven by Walter Rohrl was second.

The cars, the drivers and a bit of luck all deserve credit for these finishes.

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World

SOUTH AFRICA

Jockeying for the Right Corner

A debate in Parliament over who can better protect the whites

P W. Botha is not a man given to changing his mind, so his listeners did not expect any surprises last week when the South African State President addressed the opening session of Parliament. Walking behind the sergeant at arms carrying the ceremonial mace, Botha entered the whites-only House of Assembly in Cape Town and faced the newly elected members sitting on green leather benches. In his schoolmasterish, staccato delivery, he told them that his government stood firmly on the principle of politics by segregated racial groups and that those who disapproved would not be permitted to use violence or otherwise break the law. Declared Botha: "The fact that certain legal arrangements may not be acceptable to some people does not give them the right to contravene the law."

Already trussed up in the world's most elaborate net of emergency regulations, South Africans braced for a further crackdown after Botha's ruling National Party won an impressive victory at the polls earlier this month. The National Party, which has been in power since 1948, captured 52% of the popular vote and 123 out of 166 Assembly seats. At the same time, many whites, fearful of political concessions to the country's black majority, lined up behind the total-apartheid Conservative Party, giving it 26% of all votes cast and easily eclipsing the liberal Progressive Federals as the country's second major party. For the first time in Nationalist rule, the government found itself with a right-wing party as the official opposition. The lurch to the right sets the stage for a struggle between the Nationalists and the Conservatives, led by former Dutch Reformed Church Minister Andries Treurnicht, to see which party can sound more determined to protect the white minority.

Botha, for his part, engaged in heavy rhetoric but skimmed on details. He warned that he would no longer allow funding from outside the country for those who rely on violence to promote political change. "We shall not permit the constitutional order in South Africa to be subverted in this way," he said. Many anti-apartheid organizations, church groups and trade unions receive contributions

from abroad and will watch anxiously as the government spells out how it intends to take action and how it will define subversion.

Warming to his theme, Botha advised journalists working in South Africa to "guard against instigating and promoting activities of this kind under the guise of the freedom of the press." As if to underscore the point, the Department of Home Affairs last week refused to reverse its decision not to renew the work permits of

eventually we will not have control over our own fatherland." As the Nationalists across the aisle jeered, Botha sat rigidly in his seat, occasionally making a comment to his lieutenants.

The Conservative Party program calls for partitioning South Africa into 13 separate, independent states. One of them, named Southland and including most of present-day South Africa, would be reserved for whites, while the others would be divided among nonwhites. After Treurnicht finished, Nationalist Minister of Manpower Pietie du Plessis, a fierce debater, took the floor, armed with a batch of Treurnicht's old speeches. He read quotes to prove that before he walked out of the National Party in 1982, Treurnicht

had supported the policies that he now vigorously denounced. The Conservatives, Du Plessis said, "are living in a dream world. We cannot enforce a system of absolute separation." It was the Conservatives' turn to jeer, forcing the Speaker of Parliament to call repeatedly for order.

Du Plessis wound up by linking Treurnicht with Eugene Terre-Blanche, leader of the neo-Nazi Afrikaner Resistance Movement (AWB), many of whose followers support the Conservatives. He said that he was reminded of a puppet show in which the man pulling the strings was the AWB leader. But it was Colin Eglin, head of the Progressive Federal Party, who said aloud what many in the House of Assembly must have



Bloody scene: aftermath of two car bombings outside a Johannesburg court

Not a dry discussion, but deeply felt issues that cost lives.

two British television correspondents. At the same time, Botha pledged to be "more directly involved" in negotiations with black leaders and to create a National Council as a forum for such talks. But even moderate blacks such as KwaZulu Chief Minister Mangosuthu Buthelezi have refused to take part until Nelson Mandela and other popular leaders are freed from prison and offered the opportunity to participate. The reform process, slow and tentative at best, appears stalemated.

But Botha sounded reasonable compared with Treurnicht, a onetime chairman of the Broederbond, the secret brotherhood of Afrikaner nationalists. The day after the President's speech, Treurnicht rose from his Assembly seat to introduce the opposition's traditional no-confidence vote. Then, smiling with satisfaction and jabbing the air in the direction of the Nationalist benches, he attacked Botha for weakening apartheid. Said Treurnicht: "The government's policy means that

been thinking: "Here we have a Nationalist government that believes in race classification, group areas, apartheid in schools, hospitals, housing and constitutional provisions, being attacked for being too liberal. What a sad day for South Africa."

In the midst of the rhetoric, two car bombs exploded outside Magistrate's Court in downtown Johannesburg, killing four policemen and injuring 14 other people. The tragedy served as a reminder that the speeches in the House of Assembly are not some dry debating match but deal with deeply emotional issues that can and do cost lives. The irony of the Conservative challenge is that even though the reform process has shuddered to a halt and there is no prospect of negotiations with black leaders, Botha's image might be boosted by the astonishing confrontation in Parliament, where the Nationalist government is being denounced as dangerously liberal.

—By Bruce W. Nolan/Cape Town

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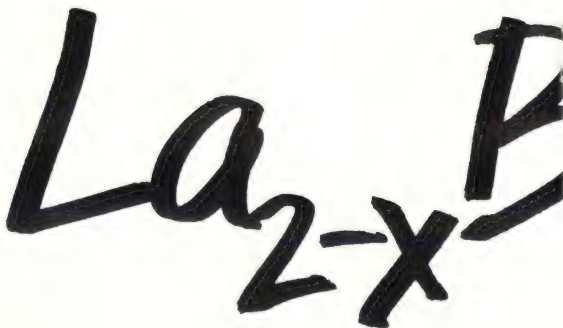
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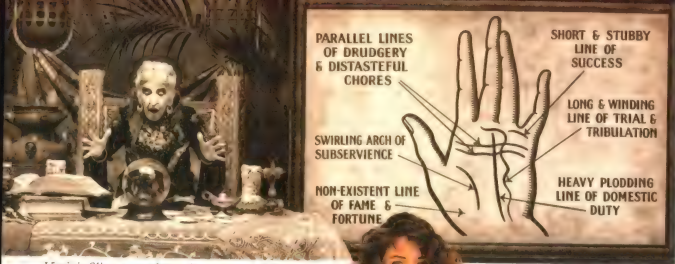


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World

SOVIET UNION

Straight Talk

Gorbachev speaks his mind

One of the more intriguing features of Mikhail Gorbachev's policy of *glasnost* (openness) is the willingness of the Kremlin leader to submit himself to the occasional foreign press interview. Last week Gorbachev held a lengthy question-and-answer session with *L'Unità*, the daily newspaper of the Italian Communist Party, in which he not only talked about international affairs but offered a rare glimpse into his personal interests.

Gorbachev hinted that Moscow might accede to a role for the long-deposed monarch in Afghanistan, where 115,000 Soviet troops have been fighting a war of attrition against *mujahedin* rebels for the past seven years. Dismissing charges that he would withdraw Soviet troops only if a Moscow-dominated government remained in power, Gorbachev invited the Afghans to seek new leadership "in their own country, among refugees and emigrants abroad, or maybe in Italy." That was an apparent reference to Mohammed Zahir Shah, 72, who served as Afghanistan's monarch from 1933 until he was overthrown in 1973, and now lives near Rome. Some rebel groups have said that Zahir would be an acceptable leader.

On arms control, Gorbachev displayed impatience with the current debate in NATO over a proposal by the superpowers to withdraw intermediate-range nuclear forces from Europe. Just a few weeks ago, Gorbachev said, Moscow and Washington were "within a few steps" of agreement. Now, he noted, some U.S. allies are proposing to tie an INF deal to simultaneous reductions in shorter-range nuclear arms and even conventional weapons. This "endless chain" of linkages, Gorbachev complained, threatens to become "stone-walling" by the West.

His Kremlin schedule leaves him without any free time, Gorbachev said, but his interests are so wide-ranging

The interviewee

as to amount to what some might call "weakness." The list includes physics, mathematics and literature. "To this day, I remember by heart poetry I learned at school," he bragged. Gorbachev left no doubt that he prefers the company of generalists rather than specialists. Said he: "People with a broad outline are more to my liking." He also had a few words to say about opposition by Soviet bureaucrats to his reforms. Despite the efforts of officialdom's "encrusted layers," Gorbachev insisted, "the reorganization is proceeding in depth."



No exit: police block demonstrators from marching toward the Presidential Office Building

TAIWAN

Quiet Victories in Taipei

Protesters spill into the streets, but peacefully

More than 20,000 policemen and soldiers were on hand for the demonstration, fearful that it would take a violent turn. In recent months, after all, one faction of Taiwan's increasingly active opposition movement has urged more confrontations to demand an end to 39 years of martial law. Wearing green headbands and carrying balloons with such slogans as LIFT MARTIAL LAW, RETURN TO THE CONSTITUTION, 3,000 vocal opposition supporters filled the plaza in front of Sun Yat-sen Memorial Hall and listened to opposition leaders denounce the Kuomintang regime of President Chiang Ching-kuo, 77.

When the protesters marched down palm-lined Jen-Ai Road toward the Presidential Office Building, they discovered that rows of riot police had sealed the routes with barbed-wire barricades and water cannon. White-helmeted marshals among the marchers moved quickly to keep order. The demonstrators settled for more speeches and sang the opposition's rallying song, *United for Taiwan*. The police stayed back but blasted martial music from their own sound trucks to drown out the protesters.

In the end, last week's demonstration proved to be a victory for both the government and the Democratic Progressive Party, a technically illegal political organization founded last September. By avoiding a crackdown, Chiang preserved the appearance of a liberalization program that would lift martial law and legalize opposition parties. The D.P.P., for its part, bridged divisions in its ranks to stage the peaceful demonstration.

The goal was to protest the new national-security legislation that, according to the opposition, will all but duplicate

martial law prohibitions—in short, old wine in a new bottle. In an effort to build a consensus inside as well as outside the KMT, Chiang has permitted extensive discussion of the proposed law in the Legislative Yuan, in which the KMT holds 287 of 321 seats. The hard-line KMT members oppose softening martial law until Peking renounces its intent to bring Taiwan into the fold of the People's Republic—by force if necessary.

The opposition, by contrast, argues that the security legislation contradicts the constitution and its guarantees of freedoms of speech, assembly, belief and movement. As evidence, it notes that the new law will continue the current ban on travel and on any opposition to the KMT's claim of sovereignty over all of China. Says Frank Hsieh, a D.P.P. member and Taipei city councilman: "Our principle is that when martial law is abolished, we should return to a full constitutional system."

While most Democratic Progressives share that belief, friction has arisen in the party on how the goal should be achieved. Last month party militants wanted to stage a demonstration outside the Presidential Office Building despite the risk of violent confrontation. At the last minute, the party's moderate wing, led by Legislative Yuan Member Kang Ning-hsiang, had the protest called off. Kang's followers are committed to a nonviolent, parliamentary path to power. While the two factions differ on such matters as how often to hold street protests, last week's demonstration was widely viewed as a sign of unity, at least for now. Said Hsieh: "It was a good compromise. I think the party has emerged in a stronger position."

—By Edward W. Desmond.

Reported by Donald Shapiro/Taipei

Now They'll Do It Their Way

Suva endorses a coup amid confusion and violence

For a brief time last week, it seemed as if paradise had been regained in the South Pacific archipelago of Fiji. Just ten days after Lieut. Colonel Sitiveni Rabuka marched into Parliament and arrested the recently elected government, a relaxed crowd of some 3,000 Fijians gathered outside the Civic Center in the capital city of Suva. People danced to pop tunes played by the Royal Fijian Armed Services band, which included in its program, appropriately, *Bridge over Troubled Waters* and *Onward Christian Soldiers*. When Lieut. Colonel Rabuka appeared, the band enthusiastically struck up the song *I Did It My Way*.



Colonel Sitiveni Rabuka speaking at a press conference after leading the island takeover. Beaten cabbies, fights in a park and a hijacker stymied by a liquor bottle.

Inside the center, however, the Great Council of Chiefs, which is made up of some 150 tribal leaders and officials who advise the government on internal affairs, was not enjoying developments. They were looking for a way out of the worst crisis in the country's history. Then, in the next few days, Fiji suffered through widespread racial violence between native Fijians and Indians.

The clashes sent shock waves throughout the South Pacific and cast a pall over the country's second biggest industry, tourism. No one was certain all week who was actually running the troubled paradise. The violence and unrest were a trauma for a country whose racial harmony had led Pope John Paul II last year to call Fiji a "symbol of hope for the world." Said Agricultural Minister Jo Nacola: "We haven't ever had scenes like that before in the history of our country."

The coup was staged by native Fijian officers who objected to last month's elec-

tion victory by the coalition of Labor and National Federation parties, which is dominated by Fijians of Indian descent. Although native Fijians have controlled the government since the country's independence in 1970, they make up only 47% of the population. Indians, who arrived in the 19th century as sugarcane workers, now constitute 49%.

The takeover, though, fueled rather than cooled ethnic tension. Early last week business in Suva was at a standstill after fearful Indian shopkeepers boarded up their stores with storm shutters and retreated to their homes. Army units patrolled the streets, keeping watch on lo-

tering gangs of Fijian youths. Eventually, some 500 native Fijians gathered in the center of Suva and began to run riot. They swarmed through the city, wrecking the stalls of Indian traders. One group hauled Indian taxi drivers from their vehicles, beating them and breaking car windows. The mob then charged 1,000 Indians in a city park and began punching and kicking them. An army unit finally had to be called to assist police in breaking up the melee. Both Australia and New Zealand had ships standing by near the port of Suva to bring out their nationals in case the rioting escalated.

Racial conflict was also behind an attempted skyjacking in Fiji last week. An Indian airport worker, Amzad Ali, took over an Air New Zealand 747 that was making a stopover between Tokyo and Auckland, New Zealand. Armed with dynamite and a knife, he threatened to blow up the aircraft unless all ousted government leaders were released. Ali allowed

the 105 passengers and 23 crew members to disembark but held captive the captain, the first officer and the flight engineer. After six tense hours, the flight engineer ended the siege by hitting the hijacker over the head with a bottle of Teacher's Scotch whisky, fracturing his skull.

All that violence took place against a backdrop of confusion over who exactly was in control in the islands. Early in the week army officers freed deposed Prime Minister Timoci Bavadra and the 27 members of his government. The release was part of a careful plan negotiated between Rabuka and Fiji's Governor-General, Ratu Sir Penaia Ganilau, who is an independent Commonwealth official representing Queen Elizabeth II. Ganilau had stood firm against the coup, declaring a state of emergency and ordering the troops to return to their barracks. When they refused, he began negotiations with Rabuka, who had appointed himself chairman of the Council of Ministers. But when Chief Justice Sir Timoci Tuivaga condemned the coup and declared that Rabuka's suspension of the constitution was both "illegal and invalid," Ganilau canceled the swearing-in.

The Governor-General then proposed a new scheme to bring the crisis to the "speediest possible conclusion." He suggested dissolving Parliament and organizing new elections. He also proposed a council of advisers to study the 1970 constitution and suggest changes. With no one clearly in command, Ganilau said he should become the temporary head of government.

The Great Council of Chiefs discussed the proposals for four days before accepting most of them. A 19-member advisory council was formed to help Ganilau run the country and review the constitution. New elections will be held within six months. Said Ganilau: "We are all eager to put everything behind us immediately so that we can return to the style of life and freedom that have characterized our nation."

Even if the political confusion ends, the coup and the rioting have already had a destructive impact. Tourism, the major business after sugar, is expected to drop 50% this year, according to local travel officials. In 1986 some 257,000 visitors came to the tropical paradise, but this year the total is not expected to be much above 100,000. The U.S. Government last week issued a travel advisory recommending that, for the present, Americans defer all nonessential trips to the country.

Fiji's relations with its neighbors have suffered a setback. Air New Zealand has suspended flights to Fiji, and labor unions in Australia, whose government refused to recognize the interim military council, have forced its planes to fly empty into Fiji before taking normal loads out. Maritime unions in both countries have also banned the handling of cargo going to Fiji. No matter what happens now, the island paradise will never again be quite the same.

—By J.D. Reed.

Reported by John Dunn/Suva

Washing Libya Out of Their Hair

Suspicion and loathing in the South Pacific

The tropical islands of the South Pacific may be half a world away from the desert sands of Libya, but distance has not deterred Libyan Leader Muammar Gaddafi from making a number of peculiar Pacific overtures. In the past year Gaddafi's agents have offered arms and cash to rebels in Papua New Guinea, encouraged an aboriginal separatist movement in Australia, shipped weapons to dissidents in New Caledonia and tried to open an office in the island republic of Vanuatu.

One important Pacific power last week decided to do something about the growing Libyan presence. In an unusually blunt announcement, Australian Prime Minister Bob Hawke ordered that the Libyan embassy, or People's Bureau, in Canberra be closed. There was "compelling and incontrovertible evidence," said Hawke, that the embassy was "serving to facilitate Libya's destabilizing activities." Hawke was especially concerned about Libyan attempts to stir up trouble among Australia's 170,000 aborigines. Gaddafi last month reportedly offered funds to help establish a separate aboriginal nation, a charge he has since denied. Said Hawke, "Libya's record of subversion and terrorism justifies the gravest concern."

Libya's South Pacific activities are extensive. In New Caledonia, indigenous



From the desert to the deep blue sea: Gaddafi and Hawke

A chance for Tripoli to tweak two foes, France and the U.S.

Melanesians, who are known as Kanaks, have received Libyan weapons, which could be used in their struggle against the French colonial administration. Officials in Papua New Guinea complain that Gaddafi is wooing rebels along that country's Indonesian border with promises of arms and financial assistance. In Vanuatu last month, two Libyan agents were discovered searching for space to set up a People's Bureau in Port-Vila, the capital, apparently without the permission of Prime Minister Walter Lini's government. Not that Lini dislikes Libya. Indeed, his Vanuatu Party reportedly plans to send 70 political activists to Tripoli for paramilitary training. Two smaller groups have already made the trip. When Vernon Walters, the U.S. Ambassador to

the United Nations, arrived in Port-Vila a month ago during a South Pacific tour, security men were alarmed to find the two Libyans registered at the same hotel as the ambassador.

Why Libya would want a foothold in the distant South Pacific remains unclear. "There's no plausible explanation in terms of geography or legitimate national interest," a suspicious Hawke said last week. One possible explanation is that Gaddafi simply wants to irritate the U.S. and France, his chief Western enemies, and at the same time deflect attention from domestic economic troubles and the defeat of Libyan troops in the African country of Chad. Some Western observers, however, believe a Libyan presence in the Pacific may foreshadow a larger political offensive by its ally, the Soviet Union. In recent months Moscow has been enlarging its Pacific fleet and trying to negotiate fishing agreements with a number of Pacific countries.

Vanuatu's Lini, one of the few leaders in the region who defend Libya, argues that Gaddafi merely wants to send economic aid to the impoverished island states and help the Kanak independence movement in New Caledonia, a cause endorsed even by Australia. Nonetheless, Hawke plans to make the Libyan threat a topic of discussion at this weekend's meeting of the 13-nation South Pacific Forum, and has dispatched a representative to brief member governments on the need to send Gaddafi's men packing.

—By Howard G. Chua-Eoan

Reported by Adrian Dunn/Melbourne

Fire Out of China

Spring winds come early and stay late in the Daxing'anling mountains. But residents of the area, nestled along China's northeastern border, know the breeze that refreshes can also be a formidable enemy. Over the past 20 years, there have been 880 reported forest fires in the area, most of them small and controllable.

Not this time. A blaze that broke out three weeks ago continues to rage and is the worst conflagration ever faced by the Communist government. The inferno has already killed more than 200 people and seriously injured an additional 221. Despite the valiant efforts of approximately 40,000 soldiers and thousands of civilians, the walls of flame have razed whole villages, scorched nearly 1.5 million of the Daxing'anling forest's 20 million acres and left at least 51,000 people homeless.

Little relief is in sight for the exhausted residents of the northeastern Heilongjiang province. Light rain and snow, some of it natural, some induced through cloud-seeding techniques, failed last week to quell the blaze. While the construction of firebreaks covering more than 600 miles helped, a 14-mile chain of fires farther west continued to burn out of control. Chinese officials warned that strong winds could fan the embers in smoldering areas. Conceded a gloomy forest ministry report: "The prospect is by no means optimistic."



Mountain inferno: soldiers and volunteers battle the flames

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World Notes



Losing ground: the embattled Chancellor

WEST GERMANY

Double Zero at The Polls

Bad news for Chancellor Helmut Kohl. In two key state elections, Kohl's Christian Democratic Union lost significant ground to the small Free Democratic Party, the junior partner in West Germany's center-right coalition and an advocate of the Soviets' "double zero" option to remove both medium-range and short-range missiles from Europe.

The most surprising election results came in Rhineland-Palatinate, Kohl's home state, where his party lost its absolute majority for the first time since 1971. In Hamburg, the Free Democrats picked up 6.5% of the vote, mostly at the expense of the Christian Democrats. Said Kohl, maintaining that the results would not affect the arms-control debate: "The elections are one piece of information, and the Federal Republic's strategic interests are another."

ISRAEL

Scenes from A Marriage

Foreign Minister Shimon Peres' Labor Party failed last week to muster enough votes in the 120-seat Knesset to force Prime Minister Yitzhak Shamir to call early elections. As a

result, Peres was thwarted, at least for the moment, in his drive to convene an international peace conference on the Middle East.

The friction was too much for Communications Minister Amnon Rubinstein, who pulled his centrist, three-member Shinui Party out of the ruling coalition. Rubinstein was particularly incensed over the Likud bloc's frantic deal making with the religious parties, including a Likud promise to support legislation requiring overseas conversions to Judaism to have the approval of the Israeli chief rabbinate, a measure certain to antagonize many U.S. Jews. The Labor-Likud marriage, huffed Rubinstein, was a "two-headed monster [that] has reached a dead end."

MIDDLE EAST

Return of a Terrorist

Sabry Khalil Banna, a.k.a. Abu Nidal, is the meanest guerrilla leader of them all. Sentenced to death by the Palestine Liberation Organization in the mid-1970s for trying to assassinate P.L.O. Chairman Yasser Arafat, Abu Nidal has long been ostracized by his peers for arranging the murders of moderate Palestinians and staging such atrocities as the 1985 airport massacres in Rome and Vienna. For several weeks, however, Arafat has reportedly been contemplating a rapprochement



Hanging tough: the craft that outwitted an air force



Coming back: Abu Nidal in rare photo

with Abu Nidal in the name of Palestinian unity. "Politics is politics," said an Arafat aide in Tunis last week, confirming that a reconciliation was still under consideration, provided Abu Nidal agrees to curb his terrorist ways.

Arafat wants to consolidate all Palestinian groups under the P.L.O. umbrella, perhaps to prepare them for possible negotiations with Israel within the framework of an international peace conference. He also wants to prevent his Arab rivals, notably Syrian President Hafez Assad, from continuing to exploit Palestinian feuding. For his part, Abu Nidal might welcome a reconciliation with the P.L.O. because his relations with his Syrian hosts have cooled considerably since 1986, when Assad came under heavy international pressure to distance himself from Abu Nidal-style terrorism.

PORTUGAL

A Hero Heads For Jail

Lieut. Colonel Otelo Saraiva de Carvalho was a hero. A leader of the bloodless coup of 1974 that brought democracy to Portugal after 48 years of right-wing dictatorship, Otelo ran unsuccessfully for President in 1976 and again four years later. But last week, after a 19-month trial, he was sentenced to 15 years in prison for "undermining" the govern-

ment. The court ruled that an organization Otelo founded was a front for the Forças Populares 25 de Abril, the shadowy terrorist group responsible for a wave of assassinations and bombings since 1980. Forty-seven co-defendants were also convicted. Protesting his innocence, Otelo insisted, "History will absolve me."

EAST-WEST

Gliding to Freedom

East Europeans have escaped from behind the Iron Curtain in almost every type of vehicle, but last week's flight to freedom by a determined Czechoslovak was a first. A 39-year-old agricultural engineer, identified only as Vladimir P., outwitted the Czech air force and winged into West Germany on a homemade hang glider powered by a motorcycle engine.

In a deserted field eight miles from the West German frontier, Vladimir donned flying goggles and wobbled aloft, rising no higher than 90 ft. to avoid being spotted by radar. Minutes later, two Czechoslovak air force Albatros jets closed in but turned away as he entered West German airspace. Vladimir kept flying until his fuel was gone, finally sputtering to earth in a potato field 19 miles from the border. "I've seen a lot of escapes," said a regional police official, "but this fellow had a real pioneer spirit."

Citicorp Breaks Ranks

A banking giant makes a daring move to deal with Third World debt

Rumors of what Citicorp Chairman John Reed was about to say had already roiled stock and bond markets last week as the trim executive stepped up onto a rostrum in Manhattan. Soon the confirmation flashed around the world: the largest U.S. bank (1986 assets: \$196.1 billion) had made an almost heretical break with the U.S. financial community's long-standing practices in handling its crushing burden of \$62 billion in Third World debt. Reed declared that Citicorp intends to set aside, effective immediately, no less than \$3 billion in additional reserves to cover loan losses on its \$133 billion portfolio, bringing its total reserves to \$5 billion. The drastic move will give Citicorp a net loss of \$2.5 billion in revenues in the second quarter of the year, its first red ink since 1934 and the second largest quarterly deficit in U.S. corporate history (the largest: AT&T's \$4.8 billion in 1983). The bank will also show a \$1 billion deficit for all of 1987. Said Reed: "We believe this step will significantly strengthen the institution."

Citicorp's tough decision is intended to buttress the bank's financial statement, which until now has been steadily profitable (see chart). But the move could have a profoundly unsettling effect on the hundreds of other international banks and dozens of debtor countries involved in the five-year-old Third World debt standoff. At one stroke, Reed had admitted that Citicorp, and probably most other large banks as well, may never collect on major portions of the onerous Third World debt burden.

That admission could bring on increasingly stormy international debt negotiations, since banks may no longer be willing to continue the seemingly interminable cycle of stretched-out loans and infusions of cash that have so far characterized the debt tango. At the same time, Citicorp's move could jar the Reagan Administration's so-called Baker Initiative to ease the international debt problem by encouraging moderate Third World growth through measured dollops

of additional loans. Citicorp's decision to set aside funds puts pressure on other heavily exposed U.S. banks to do likewise. That policy, in turn, could help push up interest rates as the institutions seek to recover the costs of their set-asides.

Despite those risks, Wall Street gave Citicorp a vote of confidence. At first, apprehensions about the bank's write-off

announcement rekindled the stock market's hair-trigger fear of a banking crisis. Partly as a result, the Dow Jones average of 30 industrial stocks took a nose dive of 37.38 points on Tuesday, just before Chairman Reed made his disclosure. The market quickly stabilized the next day, and Citicorp's stock rose to close the week at 55 1/2, up 4. Investors praised Citicorp's openness. Said an approving Lowell Bryan, a director of the Manhattan-based McKinsey consulting firm: "This is the start of realistic accounting."

Treasury Secretary James Baker gave Reed a more tepid endorsement. Said he: "I venture that all in all it will be seen as a positive step." Baker, who presumably had concerns that Citicorp's actions might discourage other banks from participating in his Third World initiative, nonetheless expressed hope that the bank will continue lending in Latin America, where it has \$14.8 billion in loans outstanding. Citicorp is particularly exposed in Brazil (\$4.6 billion), Mexico (\$2.9 billion), Argentina (\$1.5 billion) and Venezuela (\$1 billion).

In Third World countries, government officials were loath to criticize Citicorp's new hard-nosed policy. Brazil's Finance Minister, Luiz Carlos Bresser Pereira, said he saw the bank's move as a prudent shoring up of its foundations. Said a top Argentine official: "It's the first sign that U.S. banks are prepared to share the burden of the debt crisis." Other foreign money-men welcomed Citicorp's action because it might mean that all U.S. banks will start treating Third World debt under the same terms as Japanese, West German and Swiss banks, which have already established substantial loss reserves. A "spectacular maneuver," said Michel Cahier, a commentator for *La Tribune de l'Economie*, a Paris financial daily: "American financial circles appear to be ready to stop fooling themselves and the rest of the world."

For Reed, 48, who has been



Reed at his press conference; his bank's trademark Manhattan tower

Citicorp's chairman since 1984, the daring new policy highlights his emergence as the country's most influential banker (see box). By making such a turnaround on the loans, Reed is moving out of the shadow of his predecessor and mentor, Walter Wriston, who was largely responsible for Citicorp's eightfold expansion between 1967 and his retirement. Wriston was also the premier spokesman for the go-go lending policies of U.S. banks in the 1970s. Even though to some extent Reed's current action repudiates his former boss's strategy, most bankers think Wriston would have done the same thing. So does Wriston. Said the retired chairman in Manhattan last week: "The world has changed, and Reed's doing what has to be done now."

What Reed was doing could perhaps best be described as preventive medicine. The youthful chairman could see that Citicorp's hefty Third World commitment, which forms more than 10% of the bank's total loan portfolio, posed a severe threat to the bank's future prosperity. The income from those loans was dwindling because of all the concessionary terms—lengthened repayment schedules, lowered interest rates—that creditors worldwide have been granting to Third World debtors in order to keep them from defaulting. Then the entire international credit edifice was badly shaken last February when Brazil announced an indefinite moratorium on payments of interest and principal on \$68 billion of its \$108 billion in total debts, the largest in the Third World. Citicorp alone stood to lose about \$450 million this year as a result of Brazil's decision.

Revenue from Third World loans in the past has made up an important share of Citicorp's profits. In 1986 the bank earned \$257 million, or about 24% of its total income, on loans to countries in the Caribbean and in Central and South America. The growing threat to the bank's welfare was therefore extremely dire: at the same time, the potential for default on these debts was depressing Citicorp's reputation on Wall Street.

Thus, long before last week's announcement, Reed had embarked on a two-part strategy to try to maintain profits on Citicorp's foreign debts while reducing the bank's dependence on them. Citicorp's new, hard accounting line first emerged last September, when a committee representing more than 350 banks was negotiating a debt package with Mexico. Breaking ranks with his U.S. banking colleagues, Reed protested the terms of the final deal. Mexico successfully rescheduled \$44 billion of old debts at bargain rates and got \$6 billion in fresh cash that

helped, in part, to make the interest payments. Reed finally went along after he was prodded by Federal Reserve Board Chairman Paul Volcker, among others. Citicorp nearly balked again this year when banks renegotiated \$13.2 billion in loans with the Philippines and \$30 billion with Argentina.

Reed was especially worried by the seemingly endless flow of fresh money to major Third World creditors. That cash outflow only served to increase the bank's vulnerability, creating a vicious cycle with which other major banks are also painfully familiar. To reduce that exposure, Reed in 1985 directed that Citicorp begin to

build up its offsetting reserves. That year the bank set aside \$1.2 billion. Last year the total jumped again, to \$1.7 billion.

Citicorp needed to act boldly because the foreign-debt uncertainty was sapping its ability to compete with aggressive rivals, such as the Japanese, British and Swiss. Only three years ago, Citicorp ranked as the world's No. 1 banking company. Last year it slipped to No. 5 behind a group of Japanese banking companies that are "beating Citicorp's pants off in international lending," according to Joan Goodman, who follows the industry for the Pershing brokerage firm. Because most of Citicorp's foreign competitors have already set aside large reserves against potential Third World losses, those banks have enjoyed higher international credit ratings and therefore lower costs in raising money and capital. Reed's draconian new effort, says a top West German finance official, "certainly represents an effort by Citicorp to catch up with its competitors on the Continent."

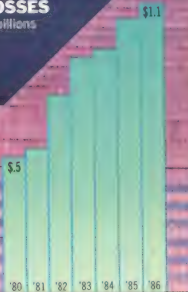
The sweeping \$3 billion move was completely in character for Reed, who has made bold strokes before during his meteoric rise at Citicorp. As an executive vice president, for example, he led the bank into the computer era, field marshaling the firm's early entry into the area of teller automation and then directing Citicorp's heavy involvement with Visa and MasterCard credit cards. When it came to making a convincing move last week, Reed reached for a large number. Said he: "Obviously it's a judgment call. Any number with nine zeros can only be approximate. We're clearly costing stockholders a year's earnings."

The cost could have been much greater. The bank's anticipated \$2.5 billion loss in the second quarter is expected to be offset by three profitable quarters, to bring the year-end loss back to \$1 billion. The company aims to return to profitability next year. And within three years, Citicorp plans to reduce its Third World debt portfolio by about one third, or \$5 billion. The bank intends to sell some of the loans at a discount and transform others through so-called debt-for-equity swaps, in which the loan becomes an investment in the borrower country.

Citicorp's bolstered reserves give the bank a cushion against a default by any of its Third World debtors. That alone, predicts the head of a U.S. banking office in Brazil, "will change the renegotiating process forever." Says he: "The idea that a debtor can threaten the international financial system with collapse and get whatever

CITICORP PROFITS AND LOSSES

in billions



er it wants just won't work anymore."

Maybe not, but the noise level at debt-negotiating sessions is unlikely to decrease, since the conditions of many Third World countries is, if anything, more parlous. Most debtors have fallen victim to a general sluggishness in the world economy, which has reduced their export income and thus their ability to pay. "Lack of economic growth in the U.S. and abroad is the real time bomb," says John Heimann, vice chairman of Merrill Lynch's Capital Markets Group.

Citicorp's decision could also bring an eventual clampdown on additional lending to Latin America and other developing regions. Certainly the Reagan Administration has reason to be concerned at that eventuality. The Administration's Baker Initiative calls for \$20 billion in private loans to be issued to the Third World over the next three years in order to foster growth. The program has been slow to get rolling. Said one Manhattan economic consultant: "Some bankers be-

lieve Reed has killed the Baker Initiative."

Reed's approach is unlikely to win universal applause in the banking industry either. For one thing, the measure will force other holders of Third World loans, most notably such profit-purchased institutions as BankAmerica (\$7 billion in Third World loans) and Manufacturers Hanover (\$7.5 billion), to agonize over whether to match it. Not all the big banks are in the same relatively good shape as Citicorp, and thus they are less able to take such action. Says one top New York City banker: "Reed is being really selfish. The stakes are much higher than the future of a single bank." Reed felt sensitive enough to the issue that he called BankAmerica Chairman A.W. ("Tom") Clausen and Manufacturers Hanover Chairman John McGillicuddy last week to inform them in advance of his action.

Someone liable to be just as irked at Citicorp's move is Fed Chairman Volcker. Some stories have it that he called Reed personally to complain about

the write-off. Why? If banks rush to follow Citicorp's lead, the industry might be so weakened by losses that the Fed would eventually feel obliged to help out by putting downward pressure on interest rates. But that would run counter to the Fed's efforts to buoy up the weak U.S. dollar. Says Timothy Scala, money-market manager for Buffalo-based Manufacturers and Traders Trust: "This demonstrates just how grave the situation is now."

From Reed's viewpoint, of course, the opposite is true. Citicorp feels that continuing to view the debt problem as manageable through an endless series of interim solutions is by far the most dangerous way to handle his bank's, and perhaps the world's, economic situation. As Paris Financial Journalist Cahier wrote approvingly last week: "In the kingdom of numbers, sincerity is always rewarded." Citicorp clearly wants its rewards sooner rather than later.

*By Stephen Koepff
Reported by Raji Samghabadi/New York and
Frederick Ungeheuer/Paris*

A Brash and Brainy "Brat"

Something has always separated Citicorp Chairman John Shepard Reed from the crowd. While many of his high-powered banking colleagues must lumber along in English on their travels abroad, he can close a deal in fluent Spanish or Portuguese. A political independent in a Republican-dominated business, he once criticized U.S. policy on Viet Nam during a White House meeting in front of his banking boss and a Cabinet officer. During the Reagan years, according to another account, Reed has driven up to the same prestigious Pennsylvania Avenue address in a humble white Toyota compact. Now the whiz kid once dubbed "the Brat" is steering Citicorp on a radically different course from the one established by his expansion-minded predecessor, Walter Wriston.

The Chicago-born son of an Armour meat-packing executive whose business travels took his family throughout South America, Reed has spent 22 years with Citicorp. But in many ways he remains an enigma, variously described by some of his fellow workers as icy and grim and by others as sensitive and humorous. One acquaintance says he has a "passion for detail and no time for mavericks" and that he maintains a studied aloofness with underlings. Associates consider Reed to be direct and serious, possibly to a fault. Says Investment Banker William Donaldson, a fellow outside director of Philip Morris: "He likes to face reality, no matter how harsh it might be."

In fact, Reed has thrived on challenges. He took two undergraduate degrees in a rigorous five-year program that had him enrolled in engineering courses at Massachusetts Institute of Technology and in liberal-arts studies at Washington & Jefferson College near Pittsburgh. Reed served in Korea as an Army Corps of Engineers officer, then briefly joined Goodyear Tire & Rubber as a trainee. In 1965 he earned a business degree from M.I.T.'s

Sloan School of Management, signing on after graduation with Citicorp's predecessor, First National City Bank. Within five years, Reed found himself head of the bank's notoriously disorganized back-office operations, which were plagued by backlogs of check-processing paperwork. Reed cleared up the mess by starting work before dawn, thereby making a good start at earning his "brat" moniker. Some fellow workers felt he was abrasive in whipping the unit into shape.

But the success won Reed the daunting task of expanding the bank's consumer business, a major goal of former Chairman Wriston, who became a mentor. Reed triumphed again: he opened hundreds of new branches, bought the Carte Blanche and Diners Club credit-card companies, and launched Citicorp even more heavily into the consumer credit-card business by signing up 2 million new members for Citibank Visa cards. Expansion initially created staggering bank losses of more than \$200 million in three years. But Reed eventually turned the consumer operations into a major moneymaker—and helped position himself as a prime contender for Wriston's job. When he was finally tapped for succession in 1984, Reed talked his two chief rivals, Hans Angermueller and Thomas Theobald, into staying aboard as key advisers.

Reed rarely grants press interviews, and when he does he often stipulates that he cannot be quoted directly. Indeed, he seldom ventures into public speechifying of any kind. When it comes to his personal life, the chairman is even more jealous of his privacy. Married in 1964 to the former Sally Foreman, he is the father of four children ages twelve to 22. In his off-hours Reed peruses scientific journals or lazes around the pool behind the family's two-story stucco house in Greenwich, Conn. For recreation he plays a seven-handicap golf game, and in the winter he often travels with his family to ski in Stratton, Vt. For the sunbaked Reed an occasional fall in the snow is about the only slip he ever makes. —By Gordon Bock.

Reported by Raji Samghabadi/New York



A driven banker who thrives on challenges

Economy & Business

Probe Scuttled

A three-year inquiry ends

It was a marathon effort: federal investigators had sifted for three years through 45,000 documents and grilled more than 120 witnesses. But only a four-page press release was needed last week to scuttle the Justice Department's inquiry into charges that General Dynamics had falsified information in the 1970s about delivery dates and multimillion-dollar cost overruns on Trident and Los Angeles-class nuclear submarines. Citing the "absence of any reasonable prospect of a successful prosecution," the Justice Department dropped its investigation into the actions of employees of the firm, including then Chairman David Lewis, 69. Said Deputy Assistant Attorney General Victoria Toensing: "The evidence was analyzed by nine career prosecutors, all of whom concluded that prosecution should not be initiated."

Not for lack of trying. The probe dates back to 1979, when a federal grand jury began hearings into allegations of rip-offs in the \$1.8 billion contract for subs by General Dynamics and its Electric Boat division. After two years the jury disbanded. In 1984 investigations revived when P. Takis Veliotis, the boat division's former general manager, who had fled to Greece to avoid prosecution for an unrelated kickback scheme, said he had tape-recorded conversations with Chairman Lewis and Vice President Gordon MacDonald, both since retired. The tapes purportedly showed an agreement to provide false data to the Government. But Government lawyers turned down Veliotis'

GENERAL DYNAMICS

plea for immunity on the kickback charges, and the investigation wore on until last week without the cooperation of a key player.

Twice in 1985 General Dynamics was suspended, then reinstated, as a defense contractor after investigators found instances of bill padding. Through it all the defense conglomerate, which manufactures F-16 fighters and M-1 tanks, among other things, has prospered. From 1984 to 1986, sales increased by nearly 15%, to \$8.9 billion. During that period, General Dynamics eclipsed McDonnell Douglas as the nation's No. 1 defense contractor.

Last week a General Dynamics spokesman declared that the company can now turn to the "more normal activities of managing the business." But maybe not. Senators William Proxmire of Wisconsin and Charles Grassley of Iowa have demanded all memorandums and correspondence from the General Dynamics probe for their own inquiry. Grumbled Grassley: "It is abundantly clear we do not have efficient and effective enforcement against defense fraud."



In a Juárez plant, a worker checks a circuit board assembled for reshipment to the U.S.

Yankee! Welcome to Mexico!

New factories bring prosperity and controversy to the border

Only 15 years ago, Mexico's Ciudad Juárez was little more than a depressed backwater of El Paso, Texas. Today things are, to put it mildly, different. Factories in booming Juárez (pop. 1.1 million) are assembling everything from computer keyboards to windshield wipers for companies throughout the U.S. Meanwhile, unemployment in El Paso (pop. 547,000), where oil refining and clothing are major industries, has risen from 17,500 in 1980 to nearly 23,000 in March.

Why the dramatic change? The main answer is *maquiladoras*, a Spanish term for the mostly U.S.-owned light-assembly industry that is flourishing along the Mexican side of the border from Texas to California. Born of a 1965 Mexican development plan, the *maquiladoras* have become employment mainstays of that country. An estimated 1,400 U.S. firms, including General Motors, General Electric and Honeywell, use the plants to take advantage of a Mexican minimum wage that at current exchange rates is less than 40¢ an hour. Japanese companies like Sony, Sanyo Electric and Hitachi have followed suit, and the resulting boom is transforming border towns like Juárez into bustling industrial centers.

But the factories have stirred a heated controversy in the U.S. over the number of American jobs that may be going to Mexican workers. The *maquiladoras*, thunders Victor Muñoz, president of the AFL-CIO's 12,000-member Central Labor Union in El Paso, are "a scam, a con game. All they're creating is more profits." In February union workers surrounded a *maquiladora* trade show in El Paso with a caravan of trucks. Last week a team of U.S. analysts began a study of the border region for a House subcommittee that is examining the im-

pact of the factories on the U.S. economy.

Behind the *maquiladora* phenomenon are complementary Mexican and U.S. economic policies. American firms have long sent materials to Mexico duty free for use in assembly plants, then paid duty only on the value added abroad when the products were returned to the U.S. For nearly two decades, these exchanges fostered steady but unspectacular growth in border cities such as Juárez, Tijuana and Mexicali. But the trend accelerated dramatically in 1982, when the Mexican peso lost 82% of its value against the U.S. dollar. Mexican wages fell to irresistibly low levels for U.S. companies facing tough competition from Asia.

Now at least 850 *maquiladoras* employ 250,000 Mexicans at assembly work that was formerly done, by and large, by Americans. But U.S. businessmen insist that if the jobs did not go to Mexico, they would probably move across the Pacific. As it is, the U.S. has shared handsomely in the binational prosperity. A 1986 federal report said Mexican *maquiladora* workers spend about half their wages on the American side of the border. Local businessmen claim the industry is also supporting more than 800,000 jobs in factories, warehouses and other businesses in the U.S.

According to one study, the cross-border factories could employ as many as 3 million workers by the year 2000. The projection assumes, of course, that the U.S. customs duties that have helped to foster the Mexican boom are not changed. If prosperity south of the border is matched by deeper woes to the north, however, that might not continue to be taken for granted.

—By Janice Castro,
Reported by Richard Woodbury/Ciudad Juárez
and Gisela Botte/Washington

Taxing Patience On Madison Ave.

A fight over a sales levy

Florida Governor Bob Martinez thought he had discovered that politician's dream, a painless tax increase. Last April 23 he signed a law that extended the reach of the state's 5% sales tax to cover everything from legal services to pest control to credit collection. The new levies were intended to raise about \$700 million a year, including some \$100 million from a tax on advertisers, both in state and out. But while the Governor's con-

have been pouring antitax messages into Martinez's political bailiwick. The Florida Association of Broadcasters has produced a 30-second television commercial attacking the tax as inflationary and providing the Governor's phone number for citizens who would like to complain personally. In addition, a number of media companies, including NBC, CBS and Time Inc., have canceled plans to hold conferences and conventions in Florida as long as the law is on the books. Several major national advertisers have removed ads from publications and broadcasts that appear in Florida. Procter & Gamble has already suspended some advertising efforts, as have Clorox and Kraft.

The state has launched its own ad rebuttal. One 30-second protax television



A dream and a nightmare: Martinez and a television appeal by sales-tax opponents

Fumes a foe: "If this were 1776, we'd be pouring tea into the Fort Lauderdale harbor."

stituents have greeted the measures with passive acceptance. Martinez has run into a wave of prickly Madison Avenue opposition that has turned the advertising-tax ploy into something of a political Everglades swamp.

In general, Florida's levy breaks no new ground. Similar service taxes already exist in New Mexico, Iowa and South Dakota. The Sunshine State's law, however, contains one major difference: any national advertiser whose message reaches Florida by way of print, radio or television must pay a state sales tax based on Florida's share of the advertiser's total audience. Thus if NBC-TV receives \$400,000 in revenues for a 30-second commercial on, say, *The Cosby Show*, and if Florida viewers account for 5% of the national television audience, then a *Cosby* advertiser would have to pay a tax of 5% levied on \$20,000.

The advertising industry is outraged. "It's like taxation without representation," fumes Peter Diamandis, president of CBS Magazines. "If this were 1776," he says, "we'd be pouring tea into the Fort Lauderdale harbor." Instead, opponents

spot opens with a scene of a crowded sidewalk, while a voice-over intones that "growth is choking Florida. Too many people. Not enough water, roads, schools." The ad concludes that "special interests will have to pay their fair share."

The final battleground, however, may be the courts. Opponents of the measure already have at least three lawsuits in the works. The Florida State Supreme Court, in an unusual move, has agreed to send an advisory opinion to the Governor's office on the state constitutionality of the levy before the measure officially goes into effect on July 1.

The greatest fear of national advertisers is that the Florida example could set off a stampede in the rest of the country for such "easy" tax dollars. In fact, the rampage may already be starting. At least twelve other states, including Texas and Illinois, are weighing similar legislation. Says William E. Gorog, president of the Magazine Publishers Association: "It would be a nightmare if this extended beyond Florida."

—By Richard Hornik.
Reported by Marcia Gauger/Miami and Christine Gorman/New York

Stalking Texaco

An Australian buys in big

The \$10 billion battle royal between Texaco and Pennzoil suddenly became more of a free-for-all last week. Robert Holmes a Court, an Australian financier and aggressive corporate raider, informed the U.S. Securities and Exchange Commission that he had bought more than 15.5 million, or 6.4%, of Texaco's 242 million outstanding shares for \$541 million "exclusively for purposes of investment." The Australian tycoon said he has no intention of mounting a takeover bid for the third-ranking U.S. oil company (1986 revenues: \$32.6 billion). But Wall Street experts believe that whatever Holmes a Court is planning, his purchase may have thrown open the bidding on Texaco as the mammoth firm winds its way through Chapter 11 bankruptcy proceedings.

Holmes a Court, 49, a soft-spoken lawyer who is reputedly Australia's wealthiest citizen, controls worldwide industrial and media properties through his holding company, Bell Group (1986 revenues: \$1.5 billion). From that base, he has launched sallies against Broken Hill Proprietary, a huge Australian steel, oil and gas producer, and other big firms. A few months ago he engaged in a bidding war with Media Mogul Rupert Murdoch over the Herald and Weekly Times, Australia's largest media group. Last August Holmes a Court disclosed that he was seeking a 15% stake in USX, the steel giant. As takeover speculation pushed the price of the stock upward, he reportedly took a profit on a block of his shares.

Texaco shares hopped from 36% to 37% the day of Holmes a Court's purchase announcement. But in view of the company's oil reserves and other holdings, many Wall Street analysts still consider its stock sharply undervalued. Holmes a Court said as much in a letter informing Texaco Chief Executive James Kinnear of his investment: "The intrinsic value of Texaco's assets is substantially higher." Texaco agrees. In a statement, the company declared, "We assume that he shares the view expressed by others that the stock is a good long-term investment."

Some Texaco creditors are said to hope that an eventual Holmes a Court takeover of the company would force a settlement of its long legal war with Houston-based Pennzoil. That struggle has raged since November 1985, when a Texas jury slapped Texaco with a \$10.5 billion fine for interfering with a merger agreement between Pennzoil and Getty Oil, a judgment that finally led to Texaco's bankruptcy filing in April. On the other hand, Holmes a Court's purchase may mean that he believes a settlement between the two sides is in the wind, a development that would push up Texaco's stock price and earn Holmes a Court a fast profit.

Buy Pete Rose, Trade Johnny Bench

A favorite childhood icon is a booming business worth millions

Memo to anyone looking for an outlandish but sound investment: Consider baseball trading cards. Those childhood icons, small rectangles of pasteboard often sold with a slab of pink bubble gum, have become a fast-growing, multi-million-dollar business. Not only are treasured cards of the past fueling a growing resale market but new and fancy product lines are popping up like Texas League singles—all at increasingly over-the-fence prices. Powered by nostalgia and the consumer purchasing clout of the mid-'80s, the colorful collectibles are enjoying the kind of popularity normally reserved for the national pastime itself. Says Frank Barning, editor of a San Diego trade publication called *Baseball Hobby News*: "Everyone loves baseball and making money. It's so mom and apple pie."

In the past two years the sale of baseball cards has roughly doubled in the U.S., to about \$100 million. The total is expected to climb again this year, to more than \$120 million. Meantime, the market for old and rare trading cards has risen in tandem with that for new material, to an estimated \$45 million. As literally hundreds of dealers crowd into the market, slick trade papers and magazines plot the fortunes of card assets, based on players' performances and popularity, by means of elaborate graphs and charts similar to the Dow Jones average of 30 industrial stocks. Says Harvey Brandwein, a Manhattan dealer: "The stuff people are paying for quality material has skyrocketed and keeps going straight up."

All of that is cheery news for the small handful of firms that dominate the gum-and-trading-card business, led by Brooklyn-based Topps Chewing Gum. When Topps went public in April with an offering of nearly a third of its 14.5 million shares, the firm's prospectus showed revenues generated primarily from baseball cards soaring from \$30 million in fiscal 1986 to \$59 million in 1987. Topps' factories are operating 24 hours a day at full capacity to satisfy demand. Two other industry leaders, Philadelphia's Fleer and Memphis' Donruss, have enjoyed growth comparable to Topps during the past two years, and share about \$30 million in sales between them. Says Fleer President Don Peck: "We've had our best year ever."

Meantime, a fourth rival, Major League Marketing of Stamford, Conn., creators of Sportflics cards, boasts of a sales surge of at least 50% in the past year, reportedly bringing revenues above \$10 million.

The driving force behind that business is the same as it has always been: youngsters in search of heroes. The main consumers of the cheaper cards are six- to twelve-year-olds, with a smattering of older fans. To capitalize on their voracious appetites, the top three manufacturing concerns still sell a classic candy-store staple: 40¢ packs of 15 or 17 cards with gum, stickers or other bonuses. All the compa-

gold-lacquered tin and extolled for its "meticulous detail and masterful craftsmanship" (up to \$129.95). "There's no end in sight to all the different sets," says Allan Kaye, editor of *Baseball Card News*, a trade paper. The most novel selling approach may come from Major League Marketing. Its staple issue, Sportflics, features a polarized image process with three sequential action shots of a player on each card. A pack of three cards retails for 59¢. Crows company President Daniel Sherrick: "Baseball cards were in the horse-and-buggy age until our product."

As usual when a flood of newly minted goods hits the market, rarities of yesterday have become more valuable. So-called rookie cards marking the first appearance of such stars as the Cincinnati Reds' Pete Rose, for example, have jumped tenfold in price over the past five years. A Rose card is now worth as much as \$450.

On the other hand, images of New York Mets Pitcher Dwight Gooden have fared poorly. Gooden's recent drug disability has sent his 1984 Fleer rookie card crashing in value from \$120 to \$70 in a matter of weeks.

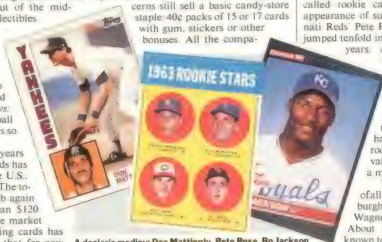
The most antique rarity of all may be an image of Pittsburgh Pirate Shortstop Honus Wagner, issued around 1910.

About two dozen copies are known to exist. The king of baseball-card collectors, Larry Fritsch of Stevens Point, Wis., who claims to have more than 1 million cards stashed away, bought his Wagner for \$1,300 in 1974. According to price guides, the same card would fetch \$35,000 today.

No line of business is complete without a convention, and baseball cards have plenty. At one of the 65 trading shows held on a single recent weekend, some 400 hobbyists lined up in New York University's spacious Greenwich Village student center to pay \$7 apiece for personalized autographs from New York Mets stars. (For a day of such work, past and present baseball stars can earn anywhere from \$5,000 to \$10,000.)

Between tables laden with cards, pennants and other baseball memorabilia, Greg Siegel, 14, clutched a prized possession, Catcher Johnny Bench's Topps rookie card. Greg has set aside what he calls a "baseball card account" for wheeling and dealing. After two years, he has played a nest egg of \$700 into slightly more than \$1,000. Says he: "I think it may be better than even the stock market." And, without a doubt, considerably more fun.

—By David Seideman/
New York



A dealer's medley: Don Mattingly, Pete Rose, Bo Jackson

nies appeal to better-heeled and older baseball nuts. Topps, for one, markets more than a dozen specialty issues, including bronze and silver replicas, through hobby dealers. The company's deluxe "Tiffany" set of glossy cards on heavily coated paper stock in serially numbered boxes sells for \$125.95. Similarly, Fleer has gone upscale with its Commemorative Collectors Edition, encased in elegant



Browsers at a New York University convention ponder the collectibles
Popularity normally reserved for the national pastime itself.

The average driver spends 15,000 hours
behind the wheel in a lifetime. It could be fun.



The fuel-injected CRX Si.

HONDA

Business Notes



A mystery man's last words are worth plenty



The stuff of Mondavi futures in storage



Neoprene's allure depends on the pores

BUREAUCRACY

Nothing Simple About Reform

Last year's tax reform was supposed to simplify tax paying, and so it did. But the paperwork? Well, that's different. The new 1040 forms to be used by taxpayers next April 15, designed to look as much like the old 1040s as possible, were released by the Internal Revenue Service last week. In fact, filling out these forms will be just as complicated as ever.

In line with tax reform, the new 1040s will include five income brackets, instead of 15. Many of the intricate old deductions, including the write-off for state sales tax, are gone. But supplemental income schedules contain a welter of new instructions. What does the IRS, fresh from the humiliating recall of its W-4 withholding forms, have to say? The changes, pleads Arthur Altman, head of the IRS group that redesigned the forms, are a "reflection of what Congress has given us."

INVESTING

Now, Château Cash Flow

Investors who buy commodity-futures contracts bet on whether the price of such staples as silver and soybeans will rise or fall. Now they can earn

truly heady rewards from wine futures.

Robert Mondavi Winery, based in Oakville, Calif., is the first U.S. winemaker to offer such contracts on a nationwide basis. An investor who buys a \$240 contract on a case of 1985 or 1986 Cabernet Sauvignon Reserve is betting that the wines will increase in value by 1989. Because the contracts will bring in cash two years before the wines are usually sold, about 30 California vintners, including such names as Iron Horse and Diamond Creek, are following Mondavi's lead.

MARKETING

Appealing to Gross Greed

"We have a bigger star than Sylvester Stallone," boasts Lawrence Gleason, marketing chief for De Laurentiis Entertainment Group, the movie-production company owned by Filmmaker Dino De Laurentiis. And who is that superluminary? "Greed," says Gleason. The base emotion has a starring role in the U.S. opening of De Laurentiis' \$10 million flick, *Million Dollar Mystery*, which premieres June 12. *Mystery* is the first movie to offer its audience a shot at a \$1 million prize for solving the film's lost-treasure puzzle.

In *Mystery*, Tom Bosley of *Happy Days* television fame discloses in his dying moments that he has buried \$4 million

somewhere around the U.S. At the film's end, only \$3 million has been found. Filmgoers have until Dec. 31 to send in entry forms guessing the location where and the type of container in which the rest of the loot is stashed, basing their solutions on several clues in the movie and on the entry form. Winners will be announced in January after a random drawing from all entries with the correct answer.

Who are the big gainers from *Mystery*'s mystery? The prizewinners, obviously—and the De Laurentiis organization, which hopes to find a few extra million in box-office revenues among customers who take up the unusual challenge.

APPAREL

Fashion's New Deep-Sea Look

What's fashionable and form-fitting on the beach this year? Answer: the rubber look. Robin Piccone, a California designer, has set off a sizzling fashion wave with bathing suits made of neoprene, the synthetic rubber from which scuba-diving wet suits are made. The material is both cool—air circulates freely through the fabric's myriad pores—and cosmetic, since it streamlines imperfections on otherwise detectable forms.

Body Glove Swimwear, Piccone's company, has sold more than 33,000 one- and

two-piece suits (priced from \$40 to \$130) in hot pink, fluorescent green and other vibrant colors. Top designers like Norma Kamali and Gianfranco Ferré are turning out similar fashions. Coming soon from Body Glove: a line of neoprene car coats and miniskirts.

INSURANCE

Equal Rates For Both Sexes

Should a woman pay the same insurance rates as a man? Insurance companies have long insisted that since women, on average, live longer than men, some of their payments should be higher and some of their benefits lower. But many feminists argue that such pricing constitutes discrimination. Last week Massachusetts became the latest state to promote unisex rates for all types of insurance (Montana was the first state to do so). Massachusetts Insurance Commissioner Peter Hiam ordered that firms based in his state even up their rates by July 1988. Says Hiam: "Massachusetts does not see any social value in making people pay different rates on the basis of gender."

Many executives oppose the commissioner's involvement in rate setting. But John Hancock Lobbyist Barbara Burgess supports Hiam. Says she: "Current rates discriminate against the individual."



THE MICHELIN SPORT EP-X. FOR GREAT HANDLING, INSPIRED PERFORMANCE AND OUTBREAKS OF SPRING FEVER.

It happens every spring. Your thoughts turn to daydreams of baseball games, picnics and beach parties.

You yearn for excitement, adventure and a decent date.

Diagnosis: You're coming down with a classic case of spring fever.

Treatment: For prompt, soothing relief, four out of five experts (the other split for the Bahamas and couldn't be reached) recommend the following.

Find yourself a friend. Add one Mustang, Camaro, Daytona or performance car of your choice. And do a little spring cleaning.

After which you'll be in the perfect frame of mind to discover how exhilarating springtime can be. Particularly when you experience it on a new set of Michelin High Performance Sport Tires.

The SR-rated Sport EP-X has a big, fat contact patch. For big, strong grip. An adhesive tread compound. And Michelin's famous triangular treadblocks.

The result? Soul-stirring handling, cornering and acceleration. Plus optimum stability and control.

And because April showers may come your way in May or June, the Sport EP-X is an

All-weather performance tire.

Best of all, the Sport EP-X is a Michelin. Which means the mileage, reliability and value that go hand in glove with the Michelin name never take a back seat to performance.

So what's the prognosis?

If you have a bad case of spring fever, we predict everything's going to turn out fine.

Just sit back, relax and enjoy the cure.

MICHELIN
BECAUSE SO MUCH IS RIDING
ON YOUR TIRES.



People



A portrait: Gilbert, Cartland and Bonham Carter on the set of *Hearts*

She was a Victorian cameo of exquisite youth, a headstrong girl trembling on the threshold of womanhood in last year's Oscar-winning *A Room with a View*. Now **Helena Bonham Carter**, 21, is blushing again, this time as the heroine

"at first I was a little worried because all my heroines are blond." Her fears were soon banished by Bonham Carter's breathless portrayal of Serena, the young beauty who is whisked away by the evil Marquis of Vulcan, played by **Marcus Gilbert**. Bonham Carter has meandered in mind but knows she may have to age a little to get them. "I'm always surprised when I look in a mirror at how callow I look. But I'm not going to stay like this forever."

These are days of outrageously good fortune for **Bette Midler**. First came a string of three hit movies—*Down and Out in Beverly Hills*, *Ruthless People* and *Outrageous Fortune*—followed by the arrival of a new baby, **Sophie**. Good luck continued to bloom for the Rose last week as she became the top prize winner of the first American Comedy Awards. La Bette clinched four of the trophies: best actress in a motion picture, funniest record or video, funniest female performer and lifetime achievement.

Robin Williams was next in line with three awards. In addition to Midler, lifetime awards went to **Lucille Ball**, **Woody Allen**, **Carol Burnett**, **Lily Tomlin**, **Mary Tyler Moore**, **Mel**

Brooks, **Steve Allen** and *All in the Family* Producer **Norman Lear**. "Anytime they want to include me in the same breath with Lucille Ball is fine by me," said the Divine Miss M. "I've never had quite a year like this before—every dream I ever had came true."

Long known for his dazzling sleight of hand on the basketball court, **Earvin** ("Magic") **Johnson** outmaneuvered his competition in the ballot box last week as he was named the National Basketball Association's Most Valuable Player. The 6-ft. 9-in. Michigander is the first guard in 23 years to win the award and only the third to do so in N.B.A. history. Receiving 65 first-place votes and a total of 733 points from the selection panel, Johnson, 27, streaked past Chicago **Bull** **Michael Jordan** (ten votes) and Boston Celtic **Larry Bird** (one vote), who had been named MVP for the past three years. Now in his eighth season with the Los Angeles Lakers, Johnson shot 52% from the field and 85% from the free-throw line, for an average career high of 23.9 points, and topped the team with 138 steals. Joked Johnson: "I'd like to thank Larry Bird for having a slightly off year and letting me win the award."

"Life is full of choices," **Charlie Brown** once observed, "but you never get any." That bit of wisdom might also be applied to the life of his creator, **Charles Schulz**, 64, who



Johnson: magic marker

notes, "It seems beyond the comprehension of people that someone can be born to draw comic strips, but I think I was." Last week the soft-spoken artist was inducted into the Cartoonists Hall of Fame for 37 years of his *Peanuts* comic strip, which is carried in some 2,000 papers in 36 countries. Schulz is characteristically reflective about the enduring popularity of Charlie Brown, **Linus**, **Lucy**, **Snoopy** and the rest of the gang. "They're nice little kids," he explains, "not overly sweet—people you can live with day after day." Nonetheless, Schulz bristles at critics who suggest that the strip has gone stale in recent years, insisting, "It is better drawn, and it has more depth than ever." What's more, Schulz still works from 9 a.m. to 4 p.m., five days a week. Says he: "It's one of the few situations in my life where I feel totally secure." Linus would understand.

—By Guy D. Garcia
Reported by David E. Thigpen/New York



Lucky Bette: Midler at awards

of *A Hazard of Hearts*, an upcoming CBS-TV movie based on the 1949 gothic romance by **Barbara Cartland**, 85. Author met actress during the filming at a 19th century mansion in Lincolnshire. Jokes Bonham Carter: "She immediately told me how to emanate innocence from my solar plexus. I had a disadvantage because I'm a brunet." Cartland admits that



Pen pals: Schulz, with Snoopy, at the drawing board

Space

The Soviets Blast Out in Front

Energia's launch widens Moscow's edge in rocketry

When the 170 million-horsepower Energia rocket thundered from its launching pad at the Baikonur Cosmodrome near Tyuratam in Kazakhstan on May 15, the Soviet Union took another stride in its steady march toward pre-eminence in space. Striking eastward, the massive heavy-lift rocket reached 6,000 m.p.h. and 30 miles in altitude before the first stage separated and dropped to earth as planned. At nearly 14,000 m.p.h. and 60 miles up, the second stage fell away and splashed into the Pacific Ocean "in strict conformity with the flight mission."

when and how to deploy a space station, for example, the Soviet *Mir* (Peace) station, up for more than a year, has been manned for half that time and is now being expanded. This year the U.S. has carried out only four successful orbital launches, while the Soviets have had 37. The U.S. space shuttle is grounded until at least the summer of 1988. In the meantime, the evidence grows that a scaled-down Soviet shuttle has already been tested. TASS, the Soviet news agency, last week disclosed that the new rocket will launch "reusable orbital spaceships."

outlaws, with these big stations as sheriff."

Western experts believe Energia's power comes from four engines, propelled by liquid hydrogen and liquid oxygen (reportedly the first time a Soviet booster has used this fuel), built into the rocket's central core, and four more engines strapped on the outside. These strap-on boosters are probably fueled by a mix of kerosene and liquid oxygen. The Soviet shuttle would ride piggyback on the launch vehicle in much the same way that the U.S. orbiter does, but other payloads could sit on top.

Some Western sources speculate that the Soviets, with their new booster, a large orbital base and growing expertise on long stays in space, may be ready to launch a manned mission to Mars before the end of this century—a goal often hint-

AN IMPRESSIVE DEBUT

Soviets launch Energia ①. The first stage drops onto land ②, and the second stage into the Pacific ③, as planned. But the payload falls into the ocean instead of going into orbit ④.



as the official report put it. Then, unexpectedly, there was a glitch: the payload, a full-size dummy satellite, crashed into the sea because of a "faulty operation of its onboard systems," instead of propelling itself into orbit.

But the failure was nothing compared with the magnitude of the feat. For the first time, the Soviets successfully tested the brand-new Energia, a 220-ft rocket capable of thrusting more than 100-ton payloads into orbit, at least four times that of the U.S. space shuttle's orbiter. A Soviet TV commentator declared in a post-launch videotape that the new rocket could lift into space "the blocks from which cities will be built." Even U.S. observers were impressed. "It's the most powerful rocket in the world—ever," said James Oberg, a Houston-based expert on Soviet space ventures, after the launch. Unlike the usual Soviet behemoths, he added, "it's a sophisticated technological rocket" comparable to the Saturn V that launched Skylab. The only difference, according to Oberg, is that "ours are rusting in museums and theirs are flying."

Indeed, the nagging suspicion among American space observers that the Soviet Union is pulling ahead of the U.S. is turning into reality. While the American space program is gridlocked over

U.S. experts believe the first manned Soviet shuttle flight may come late this year or in early 1988.

Energia's debut may push the balance of space power decisively into Soviet hands. With it, Moscow can easily launch its own shuttle. The Soviets can send up large modules to *Mir* to convert it into a full-fledged research and manufacturing station or send them into orbit to be assembled as a manned interplanetary ship. And they now have the muscle to do what the Pentagon cannot for the foreseeable future: orbit antisatellite and antimissile laser and particle-beam weapons for Star Wars-like battle stations in outer space.

Moscow insists that it is observing a moratorium on testing and deployment of antisatellite weapons, but Western experts say that at least one such weapon is already operational and that laser and particle-beam weapons are under development. Moreover, experience in building the *Mir* complex could also be applied to construction of an orbiting weapons platform. While the Kremlin claims peaceful intentions, the supersecret Soviet military still dominates the space program. "In a few years," says Oberg, "we might find ourselves as space

ed at by the Soviets. And just last week, at a conference in Pasadena, Calif., a Soviet scientist presented a comprehensive list of unmanned missions—to the surfaces of Mars and one of its moons, to asteroids and a comet—already scheduled between next year and the late 1990s. U.S. plans are far less ambitious; no Mars landing is in the works until after 2000.

Whatever the eventual uses of the Energia, the Soviets are basking in the glow of their newly and grudgingly acknowledged competence. They are also trying to make some money from it. Two weeks ago, a team of Soviet salesmen arrived in the U.S. to try to sell low-priced launching services to American companies whose satellites have been grounded by the hiatus in shuttle flights. They got nowhere: it is against U.S. law to send high-tech electronics to the U.S.S.R. Even so, the Soviet space success is giving Soviet Leader Mikhail Gorbachev a rallying point in the campaign to modernize his country's economy. And it shows that while the U.S. won the race to the moon almost two decades ago, the major planetary-science breakthroughs of the future may come increasingly from the Soviet Union.

—By Michael D. Lemonick.
Reported by Ken Olsen/Moscow and Richard Woodbury/Houston

Medicine

"It Was Too Good to Be True"

Faking data: a mental-retardation researcher faces grim charges

He was an academic star who by the age of 30 had produced an influential body of work on the treatment of the mentally retarded. But in the minds of some of his colleagues, there was something odd about the work of Stephen Breuning, an assistant professor of child psychiatry at the University of Pittsburgh. The results of his studies were almost too orderly, too pat, and the work was completed with remarkable speed. The doubts came to a head in 1983 when Breuning's supervisor, Robert Sprague, then director of the Institute for Child Behavior and Development at the University of Illinois, reported his suspicions of his young colleague's methods to the National Institute of Mental Health.

This month, after a painstaking 2½-year investigation, a five-member senior NIMH panel charged that Breuning "knowingly, willfully, and repeatedly engaged in misleading and deceptive practices in reporting results of research." Concluded the panel: "On the basis of all the facts, Dr. Stephen E. Breuning has engaged in serious scientific misconduct." Among other penalties, the NIMH recommended that Breuning be barred for ten years from receiving any contracts or funds from the Department of Health and Human Services. It also referred its findings to the Department of Justice for possible prosecution.

The case is particularly disturbing, say agency officials, because the research probably had a direct impact on health policies. Between 1979 and 1984, says Sprague, Breuning "produced one-third of the literature in the psychopharmacology of the mentally retarded." The young psychologist began his research in the late 1970s, when treatment of the mentally retarded with powerful antipsychotic drugs, such as haloperidol and chlorpromazine, was being questioned. Breuning's opposition to the overuse of such drugs was shared by other researchers in the field. Even so, some scientists believe Breuning went overboard in discounting the benefits for many severely disturbed patients. Says acting NIMH Director Frank Sullivan: "The retarded are vulnerable. They might have been damaged by false research."

Sprague first sensed something was amiss when he told Breuning about his diffi-



Sprague with voluminous case documentation
An idle boast led to a 2½-year inquiry.

culty in getting two nurses to agree more than 80% of the time on the severity of mentally ill patients' symptoms. "What's wrong with you?" Sprague recalls one of Breuning's co-workers saying. "We get 100% agreement." That idle boast of scientific exactitude—a virtual impossibility—persuaded Sprague to look back

through his colleague's research and then to contact the NIMH, which had funded both Breuning's and Sprague's work.

"If one thing characterized Breuning's research, it was perfection," says the NIMH's Sullivan. "Now we know that it was too good to be true." The reports, says Agency Official Lorraine Torres, often included meticulous details for experiments that never took place and descriptions of the training of individuals working on imaginary projects. One publication Breuning co-authored was an analysis of data on ten mentally retarded young adults, apparently gathered while he was working at the Oakdale Regional Center for Developmental Disabilities, in Lapeer, Mich. Oakdale officials told the NIMH that as far as they knew, the research never took place; the only subjects Breuning was officially authorized to study at the time were goldfish and rats. How was the psychologist able to persuade others to lend their names to his work? Says Thomas Gualtieri, who helped blow the whistle on Breuning: "He would come up with marvelous data that would corroborate everything you had ever written. It was an excellent way of co-opting co-authors."

Breuning, 34, concedes Breuning that he was distracted by personal problems while some of his work was in progress but insists that the NIMH panel "did a shoddy, sloppy investigation." Now the director of psychological services at the Polk Center, in Polk, Pa., Breuning left the University of Pittsburgh in April 1984 during a university investigation into his work. He admits that "I've paid for some mistakes I made, probably

paid more than I should have. But I'm not planning to wilt or go away."

Some researchers suggest that the ambitious young psychologist might have succumbed to the pressures facing anyone who depends on scarce Government funds. "Publish or perish, commitment to a larger ideal and simple career advancement—take your pick, one or all," notes one prominent scientist. "It's troubling," says Western Michigan University Psychology Professor Alan Poling, who co-authored some of Breuning's papers. "As scientists we work largely on faith. To have trusted a person who seems guilty of substantial wrongdoing is disheartening."

—By David Brand. Reported by J. Madeleine Nash/Chicago



Breuning

Changing the Rules

For some time, Americans dying from AIDS and cancer have been going to Mexico to obtain drugs not approved by the Food and Drug Administration. The agency may have slowed the traffic last week by ruling that experimental drugs will be made more quickly available to patients with "immediately life-threatening diseases." AIDS sufferers could be affected, although an FDA source noted that as yet the agency knows of no drug qualifying under the ruling.

Meanwhile, the Centers

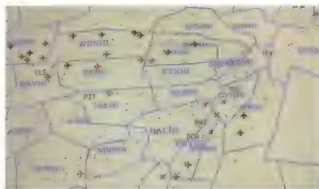
for Disease Control revealed that three hospital workers had contracted the AIDS virus after their skin came in contact with infected patients' blood. The three, none of whom is known to be in an AIDS high-risk group, are among the first health workers infected by means other than contaminated needles. One, who suffers from acne, was splattered in the face and mouth with blood when a stopper popped off a tube. Another, an emergency-room worker, applied pressure to a patient's bleeding arm with her chapped hands. A CDC epidemiologist said that such cases are extremely rare and should not be a cause for alarm.

Computers

Red for La Guardia, Brown for J.F.K.

An intricate system augurs a new era for air-traffic control

At first glance, the image that flashed on the 19-inch computer screen looked like an ordinary road map. Then John Richardson, acting manager of the Federal Aviation Administration's Central Flow Control Facility in Washington, began tapping at his keyboard. With one stroke he zoomed in to an aerial view of the New York metropolitan area, divided not along town or county lines but along sectors of airspace. With another keystroke he eliminated hundreds of tiny black dots showing the location of low-flying aircraft and private jets. What remained on the screen were larger, winged symbols representing commercial airliners. With a few more key taps he color-coded the jetliners according to their airport destination: red for La Guardia, green for Newark, brown for John F. Kennedy.



What the FAA sees: midafternoon air traffic approaching New York

To computer buffs at ease with the graphic virtuosity of Max Headroom, the FAA demonstration might seem primitive. But to air-traffic professionals gathered in the agency's sixth-floor "war room," it represented a technological breakthrough. Prior to last week, FAA radar

data showing the location of planes flying over the U.S. could be shown only piecemeal on computer screens at one or more of the aviation agency's 20 regional control centers. Now, all that information has

been merged and displayed on a single cathode-ray screen, giving the nation's air-traffic controllers an unprecedented view of overhead traffic patterns as they unfold from coast to coast. Exclaimed the FAA's Richardson, with pardonable pride: "It's unbelievable!"

Well, at least impressively intricate. Last week's display—more evolutionary than revolutionary—involved the funneling of data on aircraft position, altitude, speed and identification from each of the regional air-traffic control centers to the FAA's Washington headquarters. There the information is merged into a manageable whole by an assembly of Apollo workstations and displayed via custom-designed software on as many as three dozen screens. The objective of the system is to provide centralized management of traffic problems as they may



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— Motor Trend

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build up at any of the country's 12,500 airports. Cost of the new computer operation so far: about \$2 million. The FAA's ultimate goal, though, is a multibillion-dollar air-traffic control system so highly automated that it can monitor flights and direct pilots with little or no human intervention.

Such a system is far in the future, but the new linkup may have arrived just in time. A badly overburdened U.S. air-traffic system has pushed control tower errors and airborne near misses to record levels. In the first three months of 1987, midair close calls increased 13%, to about 215, while errors by overtaxed air controllers jumped 18%. The looming safety crisis prompted James Barnett, chairman of the National Transportation Safety Board, to recommend earlier this month that the FAA take "immediate action" to reduce air traffic at key airports before the anticipated summer air-travel crush.

FAA officials say that with their new control system they will be able to meet those recommendations without reducing the number of flights entering or leaving the critical choke points. Us-

ing the new computers, supervisors can monitor with greater precision specific sections of airspace that are becoming dangerously overcrowded. Traffic jams can then be alleviated or prevented by shifting the altitude of some flights or rerouting others so that they bypass congested areas. By this fall, when more complex computer programs should be in place, controllers hope to be able to

predict at least two hours in advance when an airspace sector is about to become saturated, and thus prevent delays. Says Jack Ryan, director of the FAA's Air Traffic Operations Service: "We will be ready to head off problems before they occur."

The FAA's glowing new capability is attracting curiosity from other federal agencies. The Defense Department,

which must monitor the flow of aircraft into the U.S.'s air defense identification zone, is said to be fascinated by the new system. So is the Drug Enforcement Administration, which desperately seeks to know the identity of every aircraft entering U.S. airspace, especially those from the south. They are particularly impressed with an FAA feature that allows controllers to place an electronic cursor over an individual blip, press a key and see all the available aircraft data displayed on the screen. Any blip that fails to provide information has not registered a flight plan with the FAA and may be fair game for interception.

—By Philip Elmer-DeWitt, Reported by Jerry Hannifin/Washington

Cash-Machine Magician

Automated bank-teller machines can be maddening devices, but there is one thing they supposedly do well: protect customers' accounts. Not always, apparently. Police are looking hard for Robert Post, 35, a Polish-born electronics expert and former ATM repairman who brags that he is something of a magician. According to the Secret Service, Post last year managed to make some \$86,000 disappear from cash machines—all from other people's bank accounts.

Post allegedly worked his legerdemain with blank

white plastic cards and a small magnetic encoding machine that he bought for \$1,800. By peering over customers' shoulders and retrieving their discarded banking receipts, he obtained the personal ID and bank-account numbers needed to activate the computerized tellers. Using the encoding machine, he embellished his plastic with strips of magnetic tape bearing digital codes almost identical to those on the defrauded customers' cards.

Eventually, though, a recurring flaw in Post's codes was picked up by a bank's computer. Charged with fraud, Post skipped out on \$25,000 bail in Manhattan. He is still at large.



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Spurning a Father's Advice

The Hearst Corp., still family owned, celebrates its centennial

George Hearst, mining tycoon and Senator from California, tried to dissuade his son by offering him the chance to manage a ranch in Mexico or a gold mine in South Dakota. But William Randolph Hearst, then 23, would have none of it. He wanted to run a newspaper, specifically a tawdry sheet in San Francisco called the *Examiner*. Father relented: in 1887 young Hearst assumed control of the *Examiner* and proceeded to build the largest newspaper empire of his day.

The Hearst Corp. celebrates its centennial this year, and while the founder would obviously have difficulty recognizing the company 36 years after his death, so would anyone else who has not kept up with the firm over the past decade. Since 1978, when Frank Bennack Jr. was named president, Hearst has spent \$1.4 billion acquiring more than 20 companies, including three TV stations, ten daily newspapers, two magazines (*Esquire* and *Redbook*) and two book companies (Arbor House and William Morrow & Co.). Since the company remains privately owned, the balance sheet is a closely held secret. Industry observers calculate that Hearst's gross revenues last year totaled \$1.9 billion, leaving an estimated pretax profit of \$285 million.

During his yellow-journalism heyday in the 1930s, Hearst dictated rat-a-tat headlines and punished political enemies in 18 big-city papers, including the New York *Journal-American*, the Chicago *Herald-American* and the Pittsburgh *Sun-Telegraph*. Today the company publishes 15 dailies, most of them in smaller cities such as Midland, Texas, and Bad Axe, Mich. After years of mounting losses, the firm sold the Boston *Herald American* to Rupert Murdoch in 1982 and shut down the Baltimore *News-American* four years later. As if to prove that it was not deserting big cities entirely, Hearst bought the Houston *Chronicle* in March for \$400 million. The *Chronicle* (circ. 425,000) is vying for reader loyalty with the Houston *Post* (circ. 316,000), and victory will require greater infusions of cash.

Today's *Hearst* papers are a mostly pallid lot. The

San Francisco *Examiner*, however, has brightened considerably under Publisher (and founder's grandson) Will Hearst, while the San Antonio *Light* has improved its design and added more feature stories. Nearly all make money either because they are the only papers in town or because, as in the case of the *Examiner*, they have entered into joint operating



Frank Bennack Jr., the company's acquisitive president

"We have had some significant problems in the newspaper field."

agreements with their competitors, allowing both papers to save on production costs. But, admits Bennack, "it's no secret that we have had some significant problems in the newspaper field." Los Angeles is particularly tough. He says, "We haven't yet solved the riddle of how to participate in that vast market."

The Los Angeles *Herald Examiner*

(circ. 240,000) has been hemorrhaging money for a decade and currently loses an estimated \$10 million to \$14 million a year. Once in a tight race with the Los Angeles *Times*, the paper suffered a nine-year strike that began in 1967 and cost it 400,000 readers. Now the *Herald Examiner's* 170 editorial employees seem destined to play David to the Goliath *Times* (circ. 1.1 million), with its 850 staffers and annual profits of \$200 million. Though the *Herald* has much to commend it, including playing up local stories and sometimes producing sprightlier writing than the *Times*, Hearst seems unsure what to do with its laggard child. Company officials, especially Robert

Danzig, general manager of Hearst newspapers, are chronically indecisive about a redesign, despite having commissioned five prototypes over the past eight years, including versions of a tabloid format favored by Acting Editor John Lindsay. He quit in disgust in February. Lindsay is not alone; the positions of publisher, managing and executive editor and art director remain vacant.

The company has been more surefooted with its 13 magazines, which include *Cosmopolitan*, sassy bible of the single woman, and *Good Housekeeping*. Under the guidance of John Mack Carter, 59, *GH's* longtime editor, the firm has created a pair of winners, *Country Living* and *Colonial Homes*, and has just launched *Victoria*, a glossy, evocation of the Victorian era complete with recipes for potpourri.

Though the magazines contribute an estimated 65% of the company's net profits, some face increasingly aggressive rivals. Hearst's *Harper's Bazaar*, the tony fashion journal that has run second to Condé Nast's *Vogue*, is now being challenged by

the frisky, well-designed *Elle*, an American cousin of the French original. *House Beautiful* is losing ad pages to its onetime equal, *House & Garden*, which has gone upscale by offering lavish picture spreads and admiring articles by well-known writers about the residences of the rich and well furnished.

The firm wins high marks for its lean management but lower grades for its treatment of employees. Top editors are paid well; Helen Gurley Brown, still *Cosmo's* guiding light at 65, reportedly earns \$500,000 a year, plus a slice of her magazine's profits. But middle-level staffers tend to earn less than their colleagues at other magazine-publishing

Return of the Native

As founding editor of *New York* in 1968, Clay Felker pioneered the brash, trend-spotting magazine devoted to capturing the beat of a city. Felker, who went on to *Esquire* and *U.S. News & World Report*, is returning to native ground, this time as editor of *Manhattan* inc. (circ. 85,000), a glossy, literate, monthly specializing in examinations of power and the powerful in New York City.

Jane Amsterdam, *Man-*

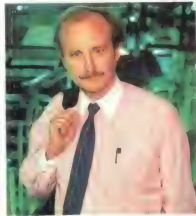
hattan inc.'s founding editor, quit in March after complaining about interference from Publisher (and Owner) D. Herbert Lipson. According to insiders, Lipson wanted Amsterdam to meet with advertisers and sought more control over covers. Felker's challenge will be not only to sustain Amsterdam's success but to get along with Lipson. Felker's track record with owners is mixed: after first approaching Media Mogul Rupert Murdoch to buy shares in *New York* in 1976, he bitterly fought Murdoch's purchase of the magazine. When Murdoch prevailed, Felker quit.

companies, and turnover is high. Bennack and Gilbert Maurer, president of the magazine division, pride themselves on giving editors freedom in running their publications, though the absolute power is not always uplifting. "Working at Hearst is like life in the Medici Palace," observes a long-time Hearst executive. "All is favoritism."

Of the founder's 40 or so living descendants, about a dozen work at Hearst, but most of them hold relatively minor jobs. John Hearst Jr. is an editor of *Motor Boating & Sailing*, while Anne is an editor at *Town & Country*. The *Examiner's* Will Hearst, one of the company's stars, is considered a candidate to run the company, but he denies that ambition and praises Bennack. "Having a Hearst in charge could make things more divisive within the family," he says.

William Randolph Hearst Jr., 79, editor in chief of Hearst newspapers and one of the founder's two surviving sons, contributes a weekly conservative diatribe to the company's papers, but his involvement is otherwise sporadic; he has been known to phone editors late in the evening to complain about an editorial cartoon or the placement of an ad. What makes the relatively minor role of the Hearsts in running the shop so intriguing is that they own the store. The family trust holds 100% of the stock, and dividends are distributed only to relatives. Yet only five of the trust's 13 directors are family members, and only seven Hearsts sit on the 20-member board.

The arrangement would suit the founder, who in his will avoided giving his sons control of the company. Besides, why should any of the Hearsts be unhappy? Five are listed among *Forbes* 400 richest Americans, and the company is prospering. No longer synonymous only with tabloid sensationalism and the gaudy splendors of San Simeon, the firm seems intent on making a good corporate name for itself by sponsoring a seven-part PBS series called *The Presidency and the Constitution*. William Randolph Hearst Sr. would probably be pleased, but his father George would be even happier, glad that his son never took his advice. — *By James Kelly, Reported by Mary Cronin/New York and Dan Goodgame/Los Angeles*



Will Hearst in the *Examiner's* pressroom

Science

Lucy Gets a Younger Sister

New discoveries may revise views of human evolution

"Whoa. This is a hominid," crowed Anthropologist Tim White when he spotted the first bone fragment, a portion of an elbow, lying on a layer of sand. Looking down, Expedition Leader Donald Johanson shouted, "There's part of a humerus right next to it!" That July 1986 find in Tanzania's Olduvai Gorge marked the beginning of a startling discovery that was formally unveiled last week by White and Johanson. The team of ten U.S. and

and shin fragments from a single adult female, permits a more accurate assessment. The length of the thigh bone is a gauge of height, and the relative length of the upper arm bone to the upper leg bone is a vital clue to body build. The remains, described in the British journal *Nature* last week, belong to a creature that lived about 1.8 million years ago and stood no more than 3½ feet tall. Says Johanson, director of the Institute



Johanson at Olduvai Gorge; bone fragments from new find, left, and Lucy

Tanzanian scientists unearthed 302 fossil bones and teeth that have yielded a more complete picture of modern humans' earliest direct ancestor, *Homo habilis*. The new material could alter the way scientists interpret human evolution.

Until now, most anthropologists have believed that *Homo habilis*, a species that lived in eastern and southern Africa between 2 million and 1.5 million years ago, stood about the same height and had the same body build as *Homo erectus*, its successor. *Homo habilis* (literally, handy man) was the first human ancestor to make stone tools. The new Olduvai Gorge skeleton, however, suggests that *Homo habilis* was much smaller and more ape-like than previously thought. If that is the case, says Johanson, the modern body type probably did not evolve until *Homo erectus* emerged some 1.6 million years ago. Moreover, the evolutionary changes leading to *Homo erectus*, which preceded modern man, must have occurred faster than has been supposed.

Earlier discoveries of *Homo habilis* fossils consisted only of skulls, teeth and questionable limb bones, forcing scientists to guess at the creature's size and proportions. But the dramatic new find, which includes skull, arm bones, thigh

of Human Origins in Berkeley: "This may be the smallest hominid ever found."

The proportions of the skeleton were also a surprise to the scientists. The upper arm bone is about 95% as long as the thigh bone, indicating that the arms dangled to the knees, much as they do in apes. Thus *Homo habilis* closely resembled *Australopithecus afarensis*, of which the best-known example is the famed "Lucy" skeleton, which was discovered by Johanson in 1974. Lucy's ratio is 85%; in modern humans, the figure is about 70% to 75%.

Observes Johanson: "The new specimen suggests that the body pattern we call modern did not appear until *Homo erectus* and that it happened fairly rapidly." Says White, a professor at the University of California, Berkeley: "The question is, Why did they lose those features, and what made them change in just 200,000 years?"

The only thing that seems sure at this point, White adds, "is that we're looking at a major transition in human evolution involving behavior and anatomy. Something major and dramatic happened here."

— *By Anastasia Touloukian*

Reported by Andrea Dorfman/New York

Religion

The Gospel and the Gold Rush

An idyll ends for Indians caught between missionaries and miners

If it weren't for the gold, all would be well. We would have time to prepare the Indians for the maliciousness of the white man." So says Father Norberto Henschler, one of the many Salesian missionaries who have governed, educated and protected 20,000 Indians of the Tukano and other tribes over the past seven decades in remote northwestern Brazil. Time, however, is rapidly running out for both missionaries and Indians. The discovery of potentially vast lodes of gold and other minerals is transforming life in a wide region around São Gabriel da Cachoeira, a small town in the Amazon jungle.

Indeed, the gold rush has set off a multisided conflict that now seems to be escalating. Indian activists accuse the Salesians (named after the 17th century French saint Francis de Sales) of destroying their traditional culture and replacing it with the values of European Christianity. At the same time, the Indians face aggressive outsiders: mining companies, free-lance prospectors and the Brazilian military. Bringing this simmering conflict to a head is the imminent retirement of Dom Miguel Alagna, 75, the autocratic bishop who for the past 20 years has reigned over the Arizona-size diocese from his unpretentious white-washed brick residence in São Gabriel.

Until the gold strike three years ago, the Salesians' placid principality resembled the 18th century Jesuit compounds in Paraguay that are celebrated in the film *The Mission*. The Indians' spiritual traditions provided a foundation for the Salesian priests and nuns who supplanted the tribal shamans. The Salesians stressed education and introduced infirmaries, orchards and craft workshops. The Indians became heavily dependent upon the mission, which bartered or bought handicrafts and art, resold them to outsiders and used most of the proceeds to maintain the church's services.

The undisputed lord of this domain was the bishop. Until very recently, "Dom Miguel was a strongman," observes Anthropologist Luciene Guimarães de Souza of the government's Indian agency. But now the frail prelate has reached the Vatican's mandatory retirement age and will soon return home to Sicily.

Though the Salesians deny it, critics say Dom Miguel meddled in tribal politics to advance pro-mission Indians, threatened excommunication for those who disobeyed and even controlled access to the military planes that until lately provided the only transpor-



Dom Miguel: "I never imposed anything"

Strongman of an Arizona-size domain.

tation in and out of the area. A fervent anti-Communist and admirer of the military, Dom Miguel belongs to the minority of Brazil's bishops who oppose left-wing liberation theology, which follows Marxist-style analysis of social oppression.

When the Tukanos found gold in the Serra do Traira region in 1984, the Salesians' paternalistic domain began to crumble. Soon hundreds of Indians were panning streams, only to encounter exploitation from white buyers who paid them 50% below market price for the gold. Then about 2,000 well-armed white

garimpeiros (prospectors) appeared. To *garimpeiros*, "Indians are wild animals—brutes," says one former prospector. A *garimpeiro*, he adds, "is not afraid to kill or be killed. He earns easy, spends easy." These prospectors have recently been supplanted by two powerful mining companies that have government concessions to prospect on Indian land. Also on hand are an unknown number of soldiers, who are building a \$109 million network of outposts to prevent gold smuggling and to keep Colombian rebels and cocaine couriers from violating the Brazilian border.

One Tukano leader, Benedito Machado, angered by the forces aligned against his people, says, "The church taught us to turn the other cheek, but it taught us nothing about the cunning, the subtleties and lies the white man uses." Nevertheless, the 200 Indian leaders who attended a three-day summit meeting last month in São Gabriel with mining, government, military and Salesian representatives proved to be highly articulate—patently a result of their missionary training. In florid speeches, they demanded land rights so they can levy royalties on gold that is mined, as well as better communications, health care and education. The government has yet to act.

Little was said at the meeting about the Salesians, but Robin Wright, an American anthropologist at the State University of Campinas in Brazil, notes that inevitably "the mission structure is being replaced by a new economic structure based on mining." Mission income is declining, and though 130 village elementary schools survive, two of the six boarding schools for advanced students lie abandoned.

While Dom Miguel welcomed the military and the mining companies, many among the 45 nuns and 17 priests who remain at the mission are suspicious of both but fear deportation if they speak out. The bishop, annoyed by criticism of his paternal rule, declares, "They accused me because I was civilizing the Indians... I never imposed anything, but in the schools they learned things and saw that witchcraft was wrong." Nonetheless, younger priests like Father Alfonso Casassnova admit that the church is overcoming past errors by working to "rediscover values" of the old culture.

Many of the Tukanos remain allies of the church. At the summit meeting one Indian teacher, Brasilino Borges Barreto, proclaimed that "it was the missions that gave us this level of knowledge." Said another, Getúlio Bruno: "Our civilization began on May 23, 1923." That was the day on which the Salesian missionaries came to his tribe.

*By Richard N. Ostling.
Reported by John Barham/Manas*



Tribal children eating lunch at a Salesian mission school



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Food

"21" and Still Counting...

Will gourmet food ruin a landmark restaurant?

Finally the wraps are off. The "21" Club, New York City's legendary oasis for high-rolling power brokers and celebrity watchers, opened its famed iron gates after a four-month face-lift, a reported \$3 million exercise in cosmetic surgery that included the premises, the food and the menu as well. The big question: Has "21" changed? Has the new owner-management team dared to alter the setting or, even worse, change the food? Do they still make the famous hamburger? And, in effect, will we still be able to love it and hate it?

Not that anyone with eyes or a palate could possibly have thought the old place was really in good shape, or that the pricey food was anything more than dependably dreary. But nostalgia is a heady seasoning, and panic set in among habitués as soon as the word was out that the new owner, Marshall S. Cogan's Knoll International Holdings Inc., had turned the management over to Ken Aretsky and Anne Rosenzweig, the team behind Arcadia, a popular East Side boutique-restaurant celebrated for its new American cooking. Even more frightening to those accustomed to "21's" innocuous but soothing nursery dishes was the news that Rosenzweig, who would mastermind the kitchen, had chosen as her lieutenant Alain Sailhac, one of the best French chefs in the country, who had distinguished himself at Le Cirque. What was right for Arcadia and fancy French restaurants would not be right for "21," doubters said, fearing nothing so much as an invasion of foodies and yuppies. Yet faced with an aging clientele, the new team clearly had to attract a younger, more style-conscious audience. New or old, all "21" customers had better bring money: the prices are now even more astronomical than they used to be. (For real plungers, there is a new members-only breakfast club, with a \$1,500 initiation fee and \$250 annual dues. Then you pay for the meal.)

The vote is still out on how well Rosenzweig and Aretsky are doing, but there are some early returns on the fare, all of which is new or redesigned. After one lunch in the bar and two dinners in the second-floor dining room, this critic can report that the answers to the burning questions about changes, so far, are yes and no. The public and banquet rooms at "21" are



Taking over at the bar: Rosenzweig, Aretsky and Sailhac

Will there be an invasion of foodies and yuppies?

nearly the same, but they are brighter and fresher. An eccentric addition to the lobby is a life-size wooden horse, a 19th century conceit that is the pet purchase of Cogan. The more sweeping changes were made in the brand new kitchens, and despite some lapses, the food has generally improved.

The most critical room is the bar, drinking and eating headquarters for the most die-hard devotees. Blessedly, it is intact, with all appointments, including the famous collection of toys, cleaned and polished. This remains the noisy, sexy, energizingly macho soul of "21." Clients who favored the upstairs room will probably continue to do so, more than ever it suggests a European dining salon, posh to those who like it, corny to those who do not.

Menu offerings in the bar and dining room are much the same at lunch but differ at dinner, with the more gussied up Arcadia-style food served upstairs at night. That seems to be the least successful fare, primarily because of overdone, often sweet garnishes—oranges in an otherwise luscious lobster salad, a cloyingly sugary bed of sautéed onions overpowering the delicate Dover sole meunière. Another problem at all meals in all rooms is the tearroom breads, delicious by themselves but poor as foils for wine, the satiny American smoked

salmon and the elegant terrine of truffled duck liver. Other fine dinner appetizers were the silken lobster-filled ravioli with chanterelles and hazelnuts and a ragout of wild mushrooms. Among main courses,

moist, roasted pheasant with a subtle gamy flavor was well set off with pungent cranberries, and a mustard glaze added zest to sliced, rare roast filet of beef. Near misses were a too soupy stew of wild duck, the sweetbreads that tasted of overheated oil and both the gratin of salt codfish with a Parmesan cheese and soft-shell crabs that were impeccably prepared but stingingly salty.

At lunch, more "21" favorites are on the menu in new guises, not all of them improvements. Among the better results are the brilliantly cold, clear oysters; blueprints, Co-tuits and belons are handsomely served on seaweed-straw ice with a cocktail sauce that has a thicker, lusher texture than in the past. Other welcome additions are the puffy, golden-brown crab cakes with a gossamer horseradish-cream sauce and the rose-pink calves liver bedded down on red-onion marmalade. Chicken hash, as always, is really creamed chicken but fresher and more flavorful.

Why those in charge could not have let alone the famed "21" burger is beyond imagining. It now arrives atop a slice of grilled country bread, and embedded in the burger is a big knob of green herb butter, a touch that adds flavor—and cholesterol. The butter also prevents the inner meat from remaining truly rare.

In much the same way, Rosenzweig should have let well enough alone with the rice pudding, one of the few really good things on the old list. New desserts are still uneven; better additions include ice cream glazed in the style of crème brûlée, a crunchy maple pecan pie and a fine custardy clafoutis with blackberries.

The most surprising unevenness is in the drinks. Order a Bloody

Mary straight-up in the bar, and you will get a weak one in a stem glass, ask for it in the lounge, and you draw a powerful potion in a highball glass. A gimlet in the bar at lunch had a barely perceptible level of falcohol, and a meager pouring of premium Scotch was overpowered by ice. In a restaurant that began as a speakeasy and is proud of it, such vagaries are disquieting.

—By Mimi Sheraton



The new equine greeter

Health & Fitness



Stepping the light fantastic: walkers learn technique in Manhattan's Central Park

How to Get Slim Hips and Catcalls

Aerobic walking is comical, economical and coming on fast

Here she comes at 5 in the morning, following the delivery trucks along Queens Boulevard, her hips rotating, arms pumping and legs jerking straight out in front, looking for all the world like a drunken ostrich on parade. Marian Spatz, a high school administrative secretary from the New York City borough of Queens, is totally unfazed by curious stares, for this is her daily exercise regimen. Not for her the heel-pounding, back-jarring effort of jogging. Instead, she, like many other American fitness enthusiasts, has taken up aerobic walking. If you think mere walking will not keep you in shape, listen to Marian. After three years of pounding the pavement, "the weight has peeled off, along with a tremendous number of inches. I'm aged 50, and I look 42." She does too.

Of course, it isn't mere walking, but a highly energetic, intensive form of exercise that many health experts recommend over jogging because of the lower chance of injury. The National Sporting Goods Association reports that exercise walking in all its forms, whether competitive or just for fitness, is now the second most popular outdoor activity in the U.S. (after swimming), up from fifth place in 1985. American Sports Data, a market-research firm in Hartsdale, N.Y., estimates that there are about 25 million serious walkers of all strides, compared with 13 million runners in 1983, the jogging peak. Actresses Cybill Shepherd and Shelley Hack walk. So do Bob Hope and Walter Matthau. To certify the trend, Jane Fonda will be out next month with two training cassettes—for the Walkman, naturally.

"In exercise, consistency is more important than intensity, and that's the major health message of walking over run-

ning," says Cardiologist James Rippe, director of the exercise physiology laboratory at the University of Massachusetts Medical School. Aerobic walking ranges from striding along to race walking, but all forms share the same goal: to give the body maximum propulsion while firming up thighs, hips and bottoms. Coaches like Howard Jacobson, 56, who heads the Walkers Club of America, teach tyro trudgers the race-walking technique. The heel of the front foot must touch the ground before the toe of the back foot pushes off; the leading leg must be straight at the knee as the body passes over it. The arm movement is a sprinter's, pumping diagonally across to the body's center line.

These race-walking movements produce that curious rolling motion of the hips that many bystanders in their lethargy find amusing. "This is not a sport for insecure people," says Julie Morrison, editor of the *Running Journal*, based in Concord, N.C. "People often yell out and call me 'faggot' because I swing my hips," says Jacobson's son Alan, 32, a top competitive walker. Shrugging off the stereotypical jeers, Alan Jacobson churns along at 7 m.p.h., compared with the average aerobic walker's 4.5-m.p.h. pace.

Because an aerobic walker's stride is shorter than a runner's, requiring more steps over the same distance, more calories are consumed. At the rate of a mile every twelve minutes, the walker uses up 530 calories an hour to the jogger's 480. The walker also

takes fewer risks, according to a number of reports. "We see a lot of runners sent to us with leg and back problems," says Bill Farrell, founder of the Metro Atlanta Walkers Club. "My shins would kill me after running," remembers Elly Christophersen, 30, now a devoted Manhattan walker. "From the standpoint of health and wear and tear on the body, race walking is much better."

The growing interest in aerobic walking has been reinforced by Dr. Ralph Paffenbarger's study of 17,000 Harvard alumni who are now 53 to 90. Paffenbarger, who is at Stanford University's medical school, found that men who walked briskly nine or more miles a week had a 21% lower risk of death from heart disease than those who walked less than three miles a week. Michael Pollock, director of the University of Florida's exercise-science center, recommends exercising at an intensity of 60% to 90% of maximum heart rate for up to an hour. However, notes the physiologist, who wrote the American College of Sports Medicine's *Guidelines for Fitness in Healthy Adults*, "if you choose more moderate training, you'll have to go longer and more frequently to get good results."

To keep themselves in peak condition, walkers are puffing through city parks and suburban streets. Brad Ketchum, editor of the Boston-based *Walking Magazine*, counts 10,000 walking events taking place this year. Among them: the Boston Stride, the San Francisco Stride (which drew 6,000 last fall) and the Casimiro Alongi International Memorial Racewalk in Dearborn, Mich. To supply this horde, Reebok, Avia and Rockport, even though they are commonly owned, are separately producing a variety of models. Nike says that last year it sold more than half a million pairs of its specially fashioned flexible walking shoes.

Some athletes are alternating their running and walking shoes. Marathoner Clare Hurlst, 25, of San Francisco walks as part of her training regime. "At first I didn't take walking seriously, probably because it didn't hurt," she says. "Now I think it's definitely easier on your structure." So does Etta Hicks, 68, who works with mentally handicapped people in De Kalb County, Ga. She did not take to running, but walking, she says, "has become a way of life." Everyone finds the sport congenial, though not as much as Marilyn Nye, 43, and Paul Perry, 41, who met in a Dearborn race-walking group. In July they will walk, at a normal pace, down the aisle.

—By David Brand.
Reported by Georgia Harbison/
New York, with other bureaus



Doing the ostrich gait

Books

Heads in Air, Feet on Ground

WILBUR AND ORVILLE by Fred Howard; Knopf; 530 pages; \$24.95

Wilbur won the toss and went first: "He lay down on the lower wing with his hips in the padded wingwarping cradle, while Orville made a last-minute adjustment to the motor. When everything was ready, Wilbur tried to release the rope fastening the machine to the rail, but the thrust of the propellers was so great he could not get it loose and two of the men had to forcibly push the Flyer backward a few inches until the rope slipped free. Orville ran beside the machine, balancing it with one hand. In the other hand he held a stopwatch, which he started as the Flyer lifted from the rail."

The brothers' first attempt at controlled powered flight belongs in history's blooper file. Orville's timepiece read 3½ sec. when the Flyer reared and bounced into a hill. Wilbur had used too much rudder and stalled 15 ft. over the beach at Kitty Hawk, N.C. Orville's turn came three days later, Dec. 17, 1903, at 10:35 a.m. He took the clattering rig to an altitude of 10 ft. and traveled through the air for about 40 yds. before coming down hard enough to crack a skid.

The lift-off was recorded on a photographic plate; the bulb of a mounted bellows camera was put into the hand of a North Carolina surferman, who was told when to squeeze. His timing was perfect, but Wilbur was too excited to punch his stopwatch and had to estimate the duration of the event. Ten years later, a curtly precise Orville described what had happened during those unofficial 12 sec.: "a machine carrying a man had raised itself by its own power into the air in full flight, had sailed forward without reduction of

speed, and had finally landed at a point as high as that from which it started."

Today Orville would probably have to say something like "That's one small step for a man, one giant leap for mankind." But there is nothing in Fred Howard's biography to suggest that either of these Dayton bicycle mechanics ever had such a grandiose notion. The bachelor sons of Bishop Milton Wright lived in a circumscribed world of nuts and bolts. They took care of business, and by trial and error they slowly realized their dream of flight on the sands of the Outer Banks and over Huffman Prairie, a half-mile-long field on the Dayton-Springfield trolley line.

Why did they succeed while other pioneers failed? Howard, a former editor of the Wrights' papers at the Library of Congress, suggests a kind of sibling synergy. Individually, the brothers were smart and handy. Together, their complementary skills and temperaments set off a brilliant chain reaction. The Wrights were also practical tradesmen who could finance their flying experiments through the cycle company. The cost of building and launching the 1903 Flyer was, according to Orville, less than \$1,000, while the U.S. Government spent \$50,000 to have Samuel Langley construct a similar aircraft that fell into the Potomac River seconds after takeoff on Oct. 7, 1903.

Howard recounts the period much as the pragmatic Wrights must have seen it. New applications of materials and industrial technology were increasing rapidly. It was not hard to imagine a bicycle chain driving a propeller or an arrangement of

spars and spoke wire strengthening a fragile open structure. From their experiments with gliders, the Wrights learned to control flight by wingwarping: tilting one wing up while bending the other down compensated for the unbalancing effect of the wind. The mechanical principle and its realization became clear to Wilbur one day while he was idly twisting a long inner-tube box. A historian would later equate the importance of this incident with Newton's observation of a falling apple. Biographer Howard is more restrained and more engaging when he attributes the insight to a "genius for the tactile" born of long experience handling wood, cloth and metal.

The brothers had discussed their control device with Octave Chanute, a respected elder in aeronautics and author of *Progress in Flying Machines* (1894). The free exchange of information among early flying enthusiasts would result in dozens of patent-infringement suits brought by the Wrights in the U.S. and Europe.

The litigations were complex and inconclusive. They also slowed the progress of aviation. *Wilbur and Orville* makes its way bravely through the fogs of legal and commercial arrangements. The author is more confident in technical matters and the manner in which aviation fever spread. He provides exhilarating details on the Wrights' daring exploits at flying exhibitions at home and abroad and dismaying information about their vain attempts to get the U.S. Government off the ground. Wilbur died of typhoid fever in 1912. Orville survived him by 36 years, or long enough to see his Flyer evolve into both a bonanza and a vehicle of immense destruction. He could not have foreseen the blitz of Hiroshima, but he obviously accepted all the risks of flying. In any event, his sympathetic and thorough biographer notes that Orville Wright never carried any insurance. —By R.Z. Sheppard

Excerpt

“Bells clanged and whistles shrieked on passing tugs and ferries... as Wilbur entered the air above the river. The hot gases rising from the shipping made the Flyer difficult to control, but it was clearly visible against the gray urban overcast as the crowds continued to pour from the alleys and side streets to catch a fleeting glimpse of the wide white wings and the red canoe between the silver skids.”



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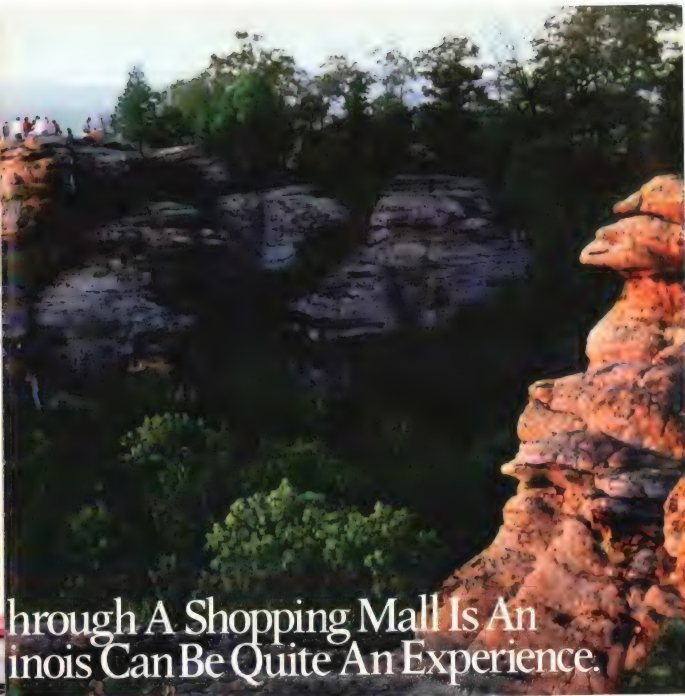
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Books

Aliens

FIASCO by Stanislaw Lem
Translated by Michael Kandel
Harcourt Brace Jovanovich
322 pages; \$17.95

Stripped to essentials, *Fiasco* is simply another novel about earthlings attempting to contact aliens in outer space. Yet those who have read any of Polish Author Stanislaw Lem's numerous books know that even the most timeworn subject can be the occasion for fresh surprises. Lem's international reputation rests on two qualities rarely found together in one mortal: he is both a superb literary fantasist, à la Jorge Luis Borges and Italo Calvino, and a knowledgeable philosopher of the means and meanings of technology.

Lem, 65, not only builds castles in the air, he also provides meticulous blueprints and rationales for their construction. Hence the ambitious expedition, sometime in the 22nd century, of the *Eurydice*, a mile-long, billion-ton spaceship that is trying to touch base with the inhabitants of Quinta, the "fifth planet of the sixth sun" in the constellation Harpy. The earthly powers cooperate in funding and launching this enterprise because all other attempts to detect intelligent life elsewhere in the universe have failed. The old-fangled, late 20th century notion of scanning the skies for meaningful radio signals yielded nothing but static and was folly besides. The new theory favors the "window of contact," the relatively brief span during which any civilization achieves industrial know-how and then either destroys itself or lapses into self-absorbed silence. As a physicist aboard the *Eurydice* explains, "Intelligence, in diapers, is invisible. And when it matures, out the window it flies. We have to pounce on it earlier."

Quinta seems, from terrestrial observations, a promising target, and getting there is half of Lem's fun. The *Eurydice* is constructed in orbit around a moon of Saturn; its thermonuclear flowstream engines use hydrogen intake as fuel and can achieve a velocity of 99% the speed of light. While the scout ship *Hermes*, weighing a mere 180,000 tons, is sent off to reconnoiter Quinta, the *Eurydice* lingers in the vicinity of a black hole. When *Hermes* returns, the mother ship will execute an "incomprehensible maneuver called 'passage through a retrochronal toroid,' thanks to which she would reappear in the neighborhood of the Sun barely eight years after takeoff. Without that passage

she would return 2,000 years later, which would be no return at all."

Lem's imaginative physics is consistently beguiling. But the elegant planning and wondrous machines he describes fail to anticipate a simple problem: the Quintans do not want to talk. Flying high above the planet, the crew of *Hermes* can see signs of a highly advanced society. But attempts to communicate are met first with silence and then with hostility; unmanned probes carrying messages of peace are attacked. The earthmen begin to wonder whether the planners of their glorious mission "had invested billions and lifted mountains in order to find a civilization gone berserk."

The *Hermes* has the power to force Quinta to respond or to destroy it, but such a victory would constitute a defeat. One crew member tells the captain, "Whatever you do—if you do not retreat—will result in a fiasco." The captain has grown increasingly pessimistic: "Any detailed study of an alien technology was futile. Its fragments, like pieces of a broken mirror, would not yield a coherent picture; they were the indistinct result, only, of the thing that had shattered it."

Such ruminations seem more at home in a novel of ideas than in a saga of outer space. *Fiasco* happens to be both. Lem's plot is full of derring-do, infinite vistas and cataclysmic explosions. Equally engaging are digressions from the action: disquisitions on the development of the computer and artificial intelligence, advances in game theory, methods for reviving the dead after they have been frozen. Scientists may complain that Lem clutters up his theories with events. Trekkies and *Star Wars* buffs may claim the opposite. Readers in the middle distance will find a popular entertainment that is also dead serious.

—By Paul Gray



Stanislaw Lem

other street-smart naïfs. One story is a kelped and matted address delivered by a castaway young woman to the baby inside her; another, the erotically charged rural reminiscence of an old lady; a third, the juiced-up riff of a 20-year-old rock 'n' roller, strutting his stuff with the swagger of the vulnerable.

All seven of the tales in *Fast Lanes*, however, sort through the bric-a-brac of unmade lives. "It was September of 1974, most of us would leave town in a few weeks, and I had been recently pregnant. Some of us were going to Belize to survive an earthquake. Some of us were going to California. My lover, the carpenter, was going to Nicaragua on a house-building deal that would never materialize. We'd had passport photos taken together, he would use his passport in the company of someone else and I would lose mine somewhere in Arizona."



Jayne Anne Phillips

Characters here are joined more by circumstances than relationships, and circumstances themselves come to seem like relationships ("This time that was nearly over, these years, seemed as close to family as most of us would ever get").

Lovers are always too distant in these tales, and families usually too close. Generations are in every sense confused. One story finds a teenage girl drawn to one of her mother's high school friends; another has a restless middle-age woman mothered by her house-loving daughter. Sadder even than the abundance of casual pregnancies is the absence of parental models. Too old for her age, and too young, one high school girl reads *Ingenue*, *Cosmopolitan*, *Mademoiselle* and the Bible alone at night in her room. Why the last? "Because I'm nervous, and it helps me sleep. All the trees and fruit, the figs, begat and begat going down like the multiplication tables."

Sometimes Phillips is almost wilful in her virtuosity, and sometimes she is borne along too easily on waves of rhythmic prose. Nevertheless, her range is considerably greater than is common among her despair-addicted contemporaries, as is her fugitive grace. Where Ann Beattie's characters, for instance, are habitually on Valium, Phillips' are generally on speed, while Beattie's have surrendered to nothingness, Phillips' are still in search of something. Nearly all the stories in *Fast Lanes* are like their characters, fascinated with gymnasts, tightrope walkers and others who find ways to steady and ground themselves. And the best of them achieve that same happy balance of passion and precision that one Phillips character imagines from an angelic piper, "formal as a harpsichord yet buoyant, wild."

—By Pico Iyer

Loose Ends

FAST LANES
by Jayne Anne Phillips
Dutton; 148 pages; \$15.95

Home means no freedom; freedom means no home. That is the dilemma facing all the tumbledown souls who drift through the peeling Springsteen homes and long, open highways of Jayne Anne Phillips' fiction. Castoffs from the counterculture, sleeping on floors or living in cars, unsure of where they stand in time or space, few of them know how to keep jobs, let alone take care of themselves. Phillips' characters lack purpose and authority. Their world is fluid, but they do not quite go under. They simply float.

Following the intricate expansiveness of her much praised novel *Machine Dreams*, the gifted Phillips, 35, has here assembled a collection of loose ends: first-person monologues revolving around barefoot girls, post-hippie gypsies and

Music

New Life for the Invalid

In San Francisco, a luminous symphony from John Harbison

Every successful composer comes to a point when his career reaches a critical mass, when the awards, commissions and appointments snowball and the transformation from obscure academic to mainstream professional is complete. That time has arrived for John Harbison. The New Jersey native's reputation has been growing steadily, but two recent events should serve to give him greater recognition. Last month Harbison, 48, won the Pulitzer Prize for Music; this month his *Symphony No. 2* received its world premiere in San Francisco. Prestigious as it is, the prize only certifies what many in musical circles were already aware of. The symphony, however, boldly proclaims an important voice in an art form that has been declared dead more often than the Broadway musical.

A kind of winning eclecticism has prevailed in recent Pulitzer awards, mirroring a two-decade trend in contemporary composition. Since 1980 there have been prizes for neoconservatives like David Del Tredici, committed serialists like the late Roger Sessions and unabashed proponents of tonality like Stephen Albert.

And now for Harbison. His music is approachably tonal without being obvious: a Harbison tune is less a hummable melody than a strongly profiled motif designed to forward the musical argument, not seduce the ear. His structures are sturdy,



Coming in on time: the composer in rehearsal

his orchestration is crisp and clean. Yet this is not the dread "Princeton School" music of baleful predictability, the arid note spinning that often characterizes the works of Ivy League composers like Milton Babbitt. Harbison, who as a teenager played jazz piano and who at Harvard led the Bach Society Orchestra, is an academic with a heart.

The new piece, commissioned by the San Francisco Symphony for its 75th anniversary, is a 20-minute essay divided into four movements, each with a quotidian title: "Dawn," "Daylight," "Dusk"

and "Darkness." Such tone painting is not surprising, for Harbison's music generally contains a strong theatrical element, reflected in his predilection for opera and song cycle. The symphony, however, is not some Americanized *La Mer* (whose first movement is titled "From Dawn to Noon on the Sea"); the sun may come up and the sun may go down, but it never sets on his cool rational spirit.

Yet there is much that is evocative in the new work. In the prelude "Dawn" the themes gradually emerge and coalesce, blaze luminously and then recede. "Daylight" is a scurrying scherzo marked by buzzing strings, hiccupping brass and chattering woodwinds. The slow movement, "Dusk," is the work's emotional center, a lambent watercolor of uncommon beauty. After this, the finale comes as something of a letdown. The symphony's clear textures give way to a muddiness that cannot be entirely justified by the "Darkness" sobriquet. Harbison rejected his first draft as too light in mood, but the symphony now ends diffidently rather than blackly.

Without firm cadences to rely on, audiences have trouble enough knowing when a new piece is over: at the first performance, skillfully conducted by Herbert Blomstedt, it was not immediately clear when the last light had flickered out.

This, though, is a relatively small matter. Better to celebrate the rise to prominence of Harbison and fellow Symphonists Albert and Ellen Taaffe Zwilich, who won her Pulitzer in 1983. Like Broadway, the symphony is a fabulous invalid: there is nothing wrong with it that a few good works cannot cure.

—By Michael Walsh

Milestones

RECOVERING. Johnny Cash, 55, craggy-faced, gravel-voiced country singer (*I Walk the Line*, *A Boy Named Sue*): from exhaustion, brought on by high blood pressure, during a concert in Council Bluffs, Iowa; at his home in Hendersonville, Tenn.

DIED. Michael Wood, 68, co-founder in 1957 of East Africa's famous Flying Doctor Services, of abdominal cancer; in Nairobi. A British-born surgeon, he helped set up the nonprofit, Nairobi-based network of flying ambulances to provide preventive care, emergency treatment and evacuation for remote areas.

DIED. Wilbur Cohen, 73, scrappy, reform-minded New Deal Democrat who helped draft the Social Security Act (1935) and Medicare (1965), served as Secretary of Health, Education and Welfare (1968-69) under Lyndon Johnson, and later became

a public affairs professor at the University of Texas; of a heart attack; in Seoul, while attending a conference on aging.

DIED. Gunnar Myrdal, 88, combative Nobel-prizewinning Swedish social economist whose 1944 report, *An American Dilemma: The Negro Problem and Modern Democracy*, a landmark study of U.S. race relations, was cited by the Supreme Court in its landmark *Brown v. Board of Education* decision (1954) that separate schools for blacks are unconstitutional; in Stockholm. In 1968 his massive ten-year study, *Asian Drama: An Inquiry into the Poverty of Nations*, maintained that land reform would wipe out Third World poverty. Myrdal was awarded a Nobel medal for economics in 1974. He and his wife Alva, who died in 1986, four years after being named a Nobel Peace laureate for her tireless advocacy of nuclear disarmament, helped design the Swedish welfare state. Nonetheless,

Gunnar Myrdal in 1980 charged that excessive taxation was "turning Swedes into a gang of hustlers." A man of perplexing contradictions, he wrote early in his career, "Human beings are good; we can improve conditions through reforms," but later decided, "The world is going to hell in every possible way."

DIED. Frederick A. Pottle, 89, emeritus professor of English at Yale University who wrote six books and edited 26 others from the diaries and papers of James Boswell, the 18th century Scottish gentleman and rakehell who gained immortality as Samuel Johnson's biographer; in New Haven, Conn. Pottle's 1950 edition of *Boswell's London Journal* sold more than 1 million copies and established his literary reputation as Boswell's Boswell. Noting his incompatibility with Boswell, Pottle once declared, "He was such a noisy, bouncy fellow, and I'm rather quiet and pensive."

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Cinema



Getting the best out of the job: Eddie Murphy relaxes in *Cop II*

Din Among the Sheltering Palms

BEVERLY HILLS COP II Directed by Tony Scott
Screenplay by Larry Ferguson and Warren Skaaren

The big news first: No, make that the only news. Billy Rosewood is back and better than ever. Billy Rosewood! Billy Rosewood? Sure, you remember, the innocent young detective, expertly played by Judge Reinhold, who was street-smartened up by Axel Foley (Eddie Murphy, of course) in *Beverly Hills Cop*.

As a result of some unfathomable oversight, Billy has been permitted to develop a little in *Cop II*. His naiveté is now touched by madness, a sort of stressed-out schizophrenia. On the one hand he has turned his apartment into a greenhouse where he croons gently to his hundreds of houseplants; on the other he has assembled a collection of heavy weaponry that Rambo (whose posters also decorate his pad) might envy. It may be, in fact, that the blissful look that crosses his kindly face when he lays hands on a rocket launcher in a situation that compels its immediate use is the comic high point of this sequel. Anyway, he provides a high, sweet note of mysterious absurdity that occasionally cuts through the din of a movie that all too resolutely attempts to replicate the comedy megahit of the decade.

No matter. The point is that everything anyone thinks might possibly have contributed to that initial success is present and noisily accounted for the second time around: the pounding rock score with the volume turned up to brain-damage level; the incomprehensible plot, this time involving a series of robberies linked to an arms-smuggling scheme (don't ask how or why); the music-video montages of the good life in Beverly Hills alternating with sudden descents into motiveless and entirely humorless violence; the none-too-subtle maneuverings to bring Murphy

into contact with variously dim figures who can be run over by his motor mouth: the police colleague-foils, who, besides Reinhold, include John Ashton and Ronny Cox and whose chief function is to shake their heads bemusedly over Murphy's improvisational nerve and witty, if occasionally obscene, sayings.

Above all, no attempt has been made to expand Murphy's character. Axel Foley is still a man who can instantly weave a seemingly impenetrable disguise out of an accent and a gush of words parodying everyone from a West Indian psychic to a building inspector. That it is good fun to watch him talk his way into and out of trouble, past authority figures both petty and grand, is beyond dispute. That he can assert his brilliance while retaining his character's lovability in these encounters is a little miracle of the performer's art. That he could move beyond riffing and sustain a long comic line if he dared seems a possibility worth exploring.

This is the big opportunity *Beverly Hills Cop II* misses. For there is an inherent problem about any sequel that too slavishly duplicates the style and substance of its predecessor: it cannot deliver the delight of discovery that the original provided. Axel made a swell first impression, but he is still living on it, perhaps not yet a bore, but not quite as fascinating as he once promised to be. This is not going to bother the apparently vast audience that now exists for twice-told tales about familiar figures. And it makes life easy for the guys in marketing and very likely delightful for those in accounting. But when Reinhold is absent, there are bound to be some who will find *Cop II* the worst sort of failure, a loudly cautious one. —By Richard Schickel

Gray Skies

RIVER'S EDGE
Directed by Tim Hunter
Screenplay by Neal Jimenez

A high-spirited adolescent commits an act of mischief. He and his buddies comically conspire to keep it secret from the adult world. Ultimately, though, the secret will out, and everyone draws a little closer together in a heartwarming and chucklesome conclusion. That plot is one of the stupefying conventions of movies about teenagers.

But what if the adolescent is a sullen, inarticulate psychotic? And what if he commits murder, not mischief? And what if his crowd, which contains no Molly Ringwalds or Matthew Brodericks and is led by a perpetually jumped-up speed freak (daringly played by Crispin Glover), still attempts to protect him from the law's vengeance?

Then one confronts not a gimmicky variant on a formula but a chilling experience called *River's Edge*. Tim Hunter, who directed *Tex* and co-wrote *Over the Edge*, movies about angry and isolated young men, may not have dealt with an alienated group before, but his vision of small-town American life is remarkably consistent. He works only in gray tones. The sun never shines on his world of ratchette homes and convenience stores. Adults exist only as malevolent authority figures.

The kids, huddling together for warmth in their entirely self-referential culture, are pathetic in their impoverishment. To be sure, one of them, Matt, who is played with exemplary restraint by Keanu Reeves, does finally violate their conspiracy and makes a tentative connection with traditional morality. But by this time the cold of this brave and singular work has seeped into our bones. We know that Matt is the exception to a bleak and deeply disturbing vision of adolescent life. —By R.S.



At bay: Crispin Glover in *Edge*

Show Business



The hay on the Côte d'Azur: a never-never year for cinema's most prestigious jamboree

Assault of the Movie Cannibals

Directors devour their young at the 40th Cannes festival

At first it sounded like Pollyanna Day at the United Nations. An international parade of prizewinners gathered on the Grand Palais stage at the 40th Cannes Film Festival to pick up their scrolls and mouth the loftiest banalities. One young filmmaker from Soviet Georgia thanked "all the inhabitants of that big wonderful country called Cinema." A Japanese director announced, "I would like to work for peace." Wim Wenders, who picked up the director's prize for his daunting, sentimental fantasy *The Wings of Desire*, said, "If we can improve the images of the world, perhaps we can improve the world." Everyone was

on his best behavior at this birthday party for the world's most prestigious movie do.

Then, as if cued by Stephen King, the wicked witch showed up in this fairy-tale resort on the Côte d'Azur. The creature arrived in the ursine form of Maurice Pialat, critically the most revered, personally the most reviled, of France's movie auteurs. A few days before, he had shown his new movie, *Under the Sun of Satan*, a stately adaptation of the Georges Bernanos novel about a self-torturing priest (Gérard Depardieu); its directorial style fell somewhere between rigor and rigor mortis. And now Yves Montand, presi-

dent of this year's festival jury, was announcing the award of the Palme d'Or to Pialat's dour drama—the first local product to grab the top prize since *A Man and a Woman* at the 20th fest, in 1966.

Montand might as well have said that Ripple had been designated the official French wine, for the Palais audience immediately erupted in derisive whistles and howls. Catherine Deneuve, who presented the award, pleaded futilely for the mob to give the director a chance to defend his honor. But the catcalls delighted Pialat. "If you don't like me," he proclaimed, "I can tell you, I don't like you either." He smiled and raised a defiant fist. More boos, more hoots. Somebody spat at him. PALME D'OR SCANDALE A CANNES, screamed the next day's papers.

Thank you, members of the jury. *Merci*,

Award presenter Catherine Deneuve



Liz Taylor, late but worth the wait



Mei Gibson in his long-hair mode



M. Piatat and all your enemies in the Grand Palais. You brought the last-minute thrill of spontaneous animosity to a festival that had nearly suffocated in gentility. Until then, this assembly of 30,000 producers, directors, stars, distributors, critics and other swains of the celluloid muse could find little to cheer and even less to condemn. Oh, sure, you could watch Michael Sarrazin strangle a nude hermaphrodite in the Belgian thriller *Mascara*. You could cruise the low-rent Film Market and see ads for such films as *Assault of the Killer Bimbos*, *Space Sluts in the Slammer* and *Surf Nazis Must Die*. You could catch Jean-Luc Godard in a typically impish auto-da-fé. This year the Peter Pan of enfants terribles presented a captious, grating version of *King Lear*, starring both Norman Mailer and Burgess Meredith as Lear and Molly Ringwald as Cordelia. Godard, who later boasted that he had never read the play, seemed determined to accomplish what the banks and an indifferent movie public have not quite yet achieved: to bankrupt the Cannon Group, his sponsoring studio.

At least these were incendiary devices; elsewhere one found soporifics. Here was the spectacle of an art form looking back in envy on its younger, more beautiful self. Sometimes the retrospective mood was seductive, as in Paul Newman's sensitive filming of *The Glass Menagerie*, with top turns by Joanne Woodward, Karen Allen and James Naughton. Faye Dunaway rekindled her old incandescence as a dipso sexpot vamping Mickey Rourke in the scuzzy, enjoyable *Barfly*, based on the life of Poet-Derelict Charles Bukowski. The festival's one unqualified hit was yet another cheeky evocation of teens in the 1950s, David I. Eland's *Wish You Were Here*. Because the British writer-director has a tart, original voice—and because Emily Lloyd, 16, was perfection as the tart—the film earned cheers and smiles every time it played.

Usually, though, the movie theaters



Newman and Woodward arriving at the anniversary gala

were mortuaries. Paolo and Vittorio Taviani's *Good Morning Babylon* records, in the brothers' patented super-realist style, the making of D.W. Griffith's epic *Intolerance*. The film provided Cannes with its handsomest white elephant. Lillian Gish, who rocked the cradle in *Intolerance*, showed up 71 years later to co-star with Bette Davis in Lindsay Anderson's *Wan The Whales of August*, a kind of *On Gilded Pond* about two aged sisters reliving old rivalries in a Maine summer home. Gish is lovely brushing Davis' long white hair; Davis, reduced by a stroke to giving inane line readings, is cruelly used in a movie that exploits memories of two great stars.

Intervista, Federico Fellini's 8½th remake of his own life in art, continues the trend of filmmakers' feeding off their early successes. The director offers the famil-

iar manic tap dance—wistful guys and gargoyle gals and the ache of nostalgia—all to the calliope crank of old Nino Rota tunes. Then Marcello Mastroianni drops by with an Amazonian Anita Ekberg. He waves a wand, a movie screen appears, and from out of the past flash images of a young Marcello and a gorgeous Anita in the fountain scene from *La Dolce Vita*. This, at least, is cannibalism with affection: everyone, stars and viewers included, joins in the self-mocking fun.

Mastroianni put himself to fuller use in *Dark Eyes*, based on three Chekhov stories; it should snare the actor an Oscar nomination next year. The film—pushy in its eagerness to charm, yet irresistible—is the work of Soviet Director Nikit Mikhalkov, whose brother Andrei Konchalovsky was represented at Cannes with an American melodrama called *Shy People*. In the spirit of the cultural thaw in East-West relations, each of the brothers' films snared an acting prize: Mastroianni for best actor, *Shy People*'s Barbara Hershey for best actress. And with Tenzig Abuladze's long suppressed Soviet satire *Repentance* win-

ning Cannes' runner-up jury prize, the festival resembled one big *glasnost* menagerie.

It was emblematic of this never-never year that the movies were upstaged not by stars like the newly slender Robert De Niro, the long-haired Mel Gibson or the wasp-waisted (and metaphorically tardy) Elizabeth Taylor, but by that Ruritanian dazzler Princess Diana (called "Lay-dee Dee" by the French), escorted by her Prince. Yet even the royals could not dodge the toxic wait of melancholy. On the day of their visit, French TV announced the death of Rita Hayworth, whose signature film *Gilda* had played at Cannes' first postwar festival, in 1946. The news was a poignant reminder that the only immortality is on the screen, and that a cinema that lives in the past faces a bleak future.

—By Richard Corliss

Defiant Director Maurice Pialat




"Lay-dee Dee" charms Sir Alec Guinness



Triumphant Hershey and Konchalovsky



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Art



In the Orchard, 1974: a human-interest avalanche of Styrofoam and saccharin

Too Much of a Medium-Good Thing

In Washington, Andrew Wyeth's overhyped Helga pictures

WHAT THE HELGA?? was the headline on the *New Republic* Editor Michael Kinsley's story about last summer's convulsions over Andrew Wyeth. The question stands. Never in the history of American art had a group of paintings been so fluffily hyped. Rarely in the history of cultural journalism had magazines and newspapers that one might have expected to be fairly hard-nosed about such matters—*TIME*, *Newsweek*, the *New York Times* and so on across the nation—made so much of so little.

Like an avalanche of Styrofoam and saccharin, the Great Human Interest Saga of Andrew Wyeth and Helga Teslorf, the German nymph of Chadds Ford, Pa., came roaring down the narrow defiles of silly-season journalism and obliterated the meager factual content of the story. Here, one learned, was a treasure, a secret cache of hundreds of paintings and drawings of a mystery blond done between 1971 and 1985 by America's dynastic culture hero, unbeknown to his wife, never exhibited, possibly the record of a love affair, bought en bloc for millions by a neophyte collector.

In due course it turned out that pictures of Helga, far from being secret, had been reproduced and exhibited for several years without evoking any special interest; that far from knowing nothing of them, Betsy Wyeth—whose astute managerial sense has had much to do with her husband's success over the years—owned quite a few; that there was no love affair; that the collector was a newsletter publisher named Leonard E.B. Andrews,

who planned to reap vast profits from selling reproductions of Helga's pale and sturdy torso; and that the whole thing had been cooked up among him, the Wyeths and the editors of *Art & Antiques*, a sort of cultural airline magazine mainly devoted to the breathless chronicling of market trends.

But by then the legend was well away. J. Carter Brown, the director of Washington's National Gallery of Art, leaped onto the bandwagon with a scissor-legged agility worthy of Tom Mix, committing his museum to an exhibit of some 125 of the 240 pencil drawings, watercolors and temperas of Helga. Billed as "a set of fascinating documents in the odyssey of the American artistic achievement," with a first printing of 250,000 catalogs, *le cirque Helga* opens this week and will, of course, be jam-packed until late September, when it begins its progress to Boston, Houston, Los Angeles, San Francisco and Detroit.

Pageboy, 1980: few surprises, but a reliability of product



where it will finish in January 1989. The Metropolitan in New York City rather pointedly refused it.

The show is a record of 15 years of work with one model at a depth of detail that would be utterly fascinating with a greater artist—a Manet, a Degas or even a Winslow Homer—but that at Wyeth's level of achievement seems almost tiresome. The bulk of the show is pencil sketches and watercolors, grouped around a dozen or so finished images in drybrush and tempera. To study an artist's sketches is to go behind the scenes of his talent, to see how the mechanisms of his pictorial thought work; one sees each twist in the evolution of form and idea. But the interest of such a spectacle depends on the extent of the talent.

The time is past when one could dismiss Wyeth as nothing more than a sentimental illustrator, as critics irked by his popular appeal regularly did a decade or more ago. True, his work is grounded in illustration and often fails to transcend it. Not a few of the images of Helga lying naked on a bed or tramping resolutely through the snow in her Loden coat have the banal neatness of things done for a women's magazine. Some of them, like the technically impressive watercolor *In the Orchard*, 1974, are as dead as in their "sensitiveness" as greeting cards. But there are some fine drawings here, moments of vision caught with attentiveness and precision, that have a lot more visual oomph than the more laboriously finished works. And two or three of the paintings are marvels of iconic condensation. Like a good second-rate novelist who can rise to first-rate episodes, Wyeth can surprise you.

But the surprises are few and far between. What one gets instead is a soothing reliability of product—the familiar "world of Wyeth," which has such a vast following in America and has lately acquired a smaller one in the Soviet Union, no doubt because his version of American landscape (bare birches, patches of snow, brown stubble, rocks and iced-up puddles, all under a white sky) looks so like Siberia. To gauge how the roots of his imagination go, one need only compare his painting of the nude Helga with a black ribbon round her neck, face averted, floating in a soup of dark shadow, with the work on which it is based: Manet's *Olympia*. There, one has all the contrast between what is deep and what is genteel, between brains, ironic intelligence and mere sensibility, between the harsh confrontational skills of a great talent and the tepid virtuosity of a popular one. This show is too much of a medium-good thing, and its ever docile public has been led to it by the nose.

—By Robert Hughes

Essay

The Aged Mother

Another Mother's Day down, the awkward ceremony survived. Loaded like a German fruitcake, you smiled wide as a freeway, wobbled under tulips, chocolates, a witty card, wished her all the happiness in the world and told all the old stories. Wasn't it fun? Wasn't she pleased, the ancient matriarch who, in a time so distant that it seems made up, slid you out soaked, milky, blind into the sheets? On her designated "day," that same panting, sweating girl sat dry as a museum bone, a china plate receiving alms.

You remember her as reckless, consenting to squat to catch what you called your Feller fastball: clumsy, imperiled dame. Young mothers have the constitutions of gaming stewards, the organizational ferocity of sergeants, show an abundance of guts and style. (Didn't she look the bee's knees to those swishy navy blue dresses of the 1940s?) Want to go to the park, Mom? Yes. Want to watch me do a jackknife dive? Yes. Sure. Can do. Can read *Tom Sawyer* aloud at bedside. Can tie sneakers. Can poach an egg, hold a job, do long division, mend porcelain, ride bikes, chase dogs, go.

But these days the eyes water like a weak opinion, and

the skin on her hand feels like pie dough rolled on an enamel tabletop. (Let me give you a hand, Mom.) A Whistler pose, she is content to sit staring outward much of the time, as if on the deck of a Cunard liner, or to dip into that biography of Abigail Adams you gave her (a lady for a lady), at manageable intervals. Television interests her not, except occasionally the nature shows that PBS specializes in. Motionless before the mating eland. The memory clicks on and off. The older the anecdote, the clearer in detail. Typical of her much analyzed years, she will forget the sentence before last but in the next will come up with a name from 1923 and a Gershwin lyric that, once sung, swims her back into a world she really occupied.

In the world as it is, she seems only to have the place of a designation. The Aged Mother. Like a painting of the aged mother, or a play called *The Aged Mother*, or an essay in a magazine. Swathed in the shapeless dress, the indefinite hairdo, she has become something to be noticed and attended, as if she were forever on the verge of vanishing lest one remind oneself to look in on Mother. (And how's your mother?)

Is the woman still a mother? Impertinent question. You dared not ask it on Mother's Day pumped up with bonhomie, but now a few weeks afterward, in the cooler hours, the problem takes a tomblike shape. In terms of technical, logical definition, can a mother be a mother without doing a mother's things? At her advanced stage of life is she supposed to function institutionally, monumentally, like mother nature, mother wit? Mother Russia: perhaps she is to be seen as Yeats' country for old men. Mother earth: big as all outdoors. Not her, the featherweight fossil in your arms, as you help her up a step. Who, what, does she mother these days?

You could say she mothers the past, not yours alone, but a whole world gone. She superintends Coolidge, Chaplin, the Charleston. (She danced the Charleston.) Or that she mothers the future, herself the future to which you begin to resign yourself

as your own eyes blur a bit and breaks in the bones take eternity to heal. There she sits in old age ahead of you, still mothering experience, if only by example. Can do.

But the fact is that the problem is not hers, it's yours, the designation yours: the aged mother. To the person in question, she is the aged woman, the aged teacher, the aged Charleston dancer. Motherhood was merely part of a swooping, long and complicated ride that included a sizable fraction of American history, with vast tracts of Europe tossed in. She reads her category in your attentiveness, but privately she has other fish to fry. Who, what, does she mother now? Your attentiveness. Still the center of your universe, you assume that the only thing she really wanted out of life was to play catch in the park with you.

There comes a time when one learns to recognize that the people to whom one is related are not usefully defined by that relationship and are actually diminished by the act. One learns this with children first. Something said by the child offhand, an unusual gesture, an unfamiliar fact, and suddenly you recognize that the creature you cuddled seemingly a moment ago has been off on a life of its own. It achieved

its education elsewhere. It has some weird ideas about social justice. The transformation is alarming. The favorite son, the my-little-girl is a stranger, an impostor in the house, until you pipe down, readjust your vision and see that a different sort of relationship is possible, one that requires of you real imagination, a true athlete's reflexes; you have to start listening to what the creature says. Gradually, it comes to you that the mind, even one as heavily padlocked as yours, is capable of affection and judgment all at once, though you look as if you've seen a ghost.

With parents that process of recognition seems more difficult, perhaps because as parents grow older, they need you more, and more basically, and need reinforces the sense of family. Or one may simply wish to retain a parent to retain one's childhood, to establish a comforting mythology in which, however dignified and responsible one feels, still there is the illusion that somewhere the elder presides, like a god. As long as she is enthroned as Mother, you do not have to ascend the genealogy and command the family line.

But see how huge she stands on her own two feet: a colossus. Queen Lear exulting in a private language about ripeness being all. Motherhood was an achievement, but so is age. Is it not time to look at the woman squarely for the life she led outside you? Before her inaccessibility gets out of hand, is it not time to celebrate her other days?

The tulips you brought her have a capacity to curl and lose their body after a while. You may not approve of their progress, but change is not in your control. The aged mother might like you to know that, might wish to teach you to love things as they are, but sometimes she forgets what she means to say, and besides, it is impossible to be severe with a child who means so well, and who will weep like a baby at her death. She smiles instead. Her day gone once again (thank God), she returns to her evening and to the image of that night she glowed like a plum and swept your father in her arms.

—By Roger Rosenblatt



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